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# ***Daily Report***

## **China**

**FBIS-CHI-88-094**

**Monday**

**16 May 1988**

# Daily Report

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16 May 1988

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### United States & Canada

#### Tian Jiyun Continues Official Visit to U.S.

##### Discusses Sino-U.S. Trade

OW1305142588 Beijing XINHUA Domestic Service in Chinese 0626 GMT 13 May 88

[Text] New York, 12 May (XINHUA)—Tian Jiyun, vice premier of the State Council, who is currently on a visit to New York, said today that Sino-U.S. trade, economic, and technical cooperation have shown a fairly big development. He also said that the U.S. side should reduce trade restrictions to further expand bilateral trade between the two countries.

Tian Jiyun made the above remark at a luncheon hosted by the National Council for U.S.-China Trade. He spoke to nearly 200 public figures of the American economic community and answered their questions.

Tian Jiyun said: While the total annual Sino-U.S. trade volume was less than \$1 billion when the two countries established diplomatic relations in 1979, it rose to \$7.8 billion last year. Of the direct investment in China by foreign businessmen, that by the American business community ranks first in size.

Tian Jiyun said: In recent years, a fairly prominent problem existing in Sino-U.S. bilateral trade has been the increasingly tightened U.S. restrictions on imports from China. This has affected adversely the further expansion of bilateral trade. He hoped that the U.S. side would facilitate the entry of more Chinese commodities into the American market in accordance with the actual situation of Sino-U.S. trade.

Vice Premier Tian Jiyun further pointed out: The United States has placed undue restrictions on the transfer of technology. This is harmful to the development of Sino-U.S. trade and economic relations. It also makes it difficult for the United States to have a competitive edge in exporting high technology to China.

In answer to a question about the relationship between China's economic development strategy for coastal areas and its imports, Tian Jiyun said that the essence of the coastal development strategy is to encourage coastal provinces and cities to expand external economic exchange and put more products on the international market to compete with foreign products so as to earn more foreign exchange. However, he said, China will not follow the example of those old-time misers who put their earnings in jars and buried them. Instead, China will use the money to import more advanced equipment and technology for the purpose of expediting its economic construction.

He said: China has taken measures to solve the question of balancing foreign exchange in joint ventures. According to the regulations, an enterprise is allowed to retain

most of the foreign exchange it has generated. Local governments have a certain amount of foreign exchange at their disposal. In addition, a foreign exchange market has been established. With the adoption of these measures, if a key project still finds itself unable to keep the balance, the central authorities will come in to help.

Asked when foreign insurance companies would be allowed to operate in China, Tian Jiyun said that he had consulted with insurance institutions at home on this issue many times and stressed the need to allow competition from foreign financial circles. Now, it has been decided to do this on a trial basis in Hainan. If it proves successful, the same practice will be spread gradually to other places, he added.

In reply to a question as to whether China is prepared to make renminbi a convertible currency, Tian Jiyun said that China would very much like to do so, but in view of the great disparity between the prices in China and world prices and the extremely irrational price system in China, some time would be required and favorable conditions should be created before this could be realized.

### On Hong Kong, Taiwan

OW1305115588 Beijing XINHUA in English 0802 GMT 13 May 88

[Text] New York, May 12 (XINHUA) — Former U.S. Secretary of State Dr. Henry Kissinger gave a dinner in honor of the visiting Chinese Vice-Premier Tian Jiyun here this evening.

Dr. Kissinger, also chairman of the America-China Society, said that Cyrus Vance and himself as bipartisan co-chairmen of the society, and the board of directors of the society demonstrate the importance this country attached to the Sino-U.S. relations.

Cyrus Vance, another former secretary of state and co-chairman of the society, was also present at the dinner. Kissinger has made 14 trips to China for the Sino-U.S. relations, including his secret mission in 1971 to reopen the relations between the two countries.

He said that every former president, every former secretary of state, every former national security adviser and every former cabinet member has been dedicated to this work.

Back at the beginning of the Sino-U.S. relationship, none of them had thought that it would grow as rapidly as it had. None of them had thought it possible that China would develop in a period of less than 20 years in such an extraordinary fashion, according to Kissinger.

Vice-Premier Tian said that he found leaders of both countries desired to push the Sino-U.S. relations to a new level. Although there existed some negative factors

in such relations, both governments handled them very prudently, in order not to impede the further development of the bilateral relations.

Referring to the question asked by Kissinger of visualizing the relationship between central planning and the various market set-ups created in China, Tian said that planning was not abolished in China. What was done was to combine planning with market regulation, and government intervention with market regulation.

Asked about the issue of the brain drain and flight of capital in Hong Kong, Tian said when China resumed exercise of sovereignty in Hong Kong in 1997, capitalism would continue to be practised for 50 years. He quoted Chinese leader Deng Xiaoping as saying to the effect that even after 50 years it would be up to the people of Hong Kong to decide whether to introduce change or not.

Tian noted that there was emigration and immigration happening in Hong Kong at the same time and he thought immigration was stronger than emigration. "We are not worried over that," he said.

He said he was glad to see the economy of Hong Kong continue rising rather than adversely affected by the stock crash last year. In his opinion, he said, entrepreneurs would continue to invest there so long as it was profitable and China's policy was to see that they were able to make money.

Asked about the Sino-U.S. relations, the Chinese vice-premier said that the issue that merited utmost prudence in this relationship was the Taiwan issue. All other issues were secondary, he added.

**Leaves for Minneapolis**  
OW1405001388 Beijing XINHUA in English  
2339 GMT 13 May 88

[Text] New York, May 13 (XINHUA)—Chinese Vice Premier Tian Jiyun and the Chinese Government delegation he is leading left here this afternoon for Minneapolis, Minnesota.

This morning, Tian attended a breakfast given in his honor by the National Committee for U.S.-China Relations. He was also honored at a luncheon given by the American Telephone and Telegraph Company.

During his stay here yesterday, he attended a breakfast co-hosted by the Asia Society and the New York Stock Exchange and visited the stock exchange. He met with Mayor of New York Edward Koch at the city hall.

**Honored in Minnesota**  
OW1405091188 Beijing XINHUA in English  
0714 GMT 14 May 88

[Text] Minneapolis, United States, May 13 (XINHUA) — Chinese Vice Premier Tian Jiyun and his party arrived here this afternoon to start his tour of this biggest city of the State of Minnesota following his visit to New York.

Speaking at a reception in Tian's honor held by the Trade Office of the Minnesota government and the local enterprises, Governor Rudy Perpich said that as friends his state and China had been able to share opportunities of growth and prosperity.

"Our trade relationship has grown more important with each passing day," said Perpich, who noted that there are over 50 firms in the state which have strong ties with China.

He said Minnesota is "committed to establish a long term economic partnership with China" and the Chinese vice premier's visit "showed China also places great importance on this partnership".

U.S. former Vice President Walter Mondale described at the reception Tian's visit as "historic." "We see it as a great opportunity to expand the commercial relationship that is already sound and grown," he said.

The Chinese vice premier said that the friendly cooperative relationship between China and the State of Minnesota has developed greatly in recent years and that Minnesota and Shaanxi Province of China have established the sister tie.

Besides the economic cooperation between China and Minnesota, cooperation in the field of science and technology as well as the cultural and educational exchange are also developing steadily, he said.

Tian said the month of May was named the "P.R.C. Month" by the governor, which showed the profound friendship of the people of Minnesota toward the Chinese people.

**On Sino-U.S. Economic Ties**  
OW1505120788 Beijing XINHUA in English  
0744 GMT 15 May 88

[Text] Minneapolis, the United States, May 14 (XINHUA)—Visiting Chinese Vice Premier Tian Jiyun told a gathering of the State of Minnesota's trade and business leaders today that Sino-U.S. economic cooperation may promote friendship, which in turn should promote strong economic ties.

He told the Labeon Group at the Hubert Humphrey Institute of Public Affairs that the biggest obstacle to Sino-U.S. trade is U.S. trade protectionism. If it is removed, Sino-U.S. trade would develop greatly.

Another obstacle is the restriction on technology transfer, "if the U.S. Government truly treats China as a friendly non-aligned nation, the economic and technical cooperation between our two countries would have a great leap forward," Tian said.

China might be Minnesota's long-term buyer both for its agricultural and high-tech products, Tian told his hosts, "but in line with the long-term interests of the two peoples and the long-term target of the economic cooperation, you cannot be sellers only, you ought to be China's economic partner as well."

China welcomes the investment of U.S. entrepreneurs and is taking various concrete steps to pave the way for all foreign investors to take part in the economic cooperation, Tian added.

The Chinese vice premier this morning visited the Control Data Corporation and Cray Research Inc., two computer manufacturing companies. In the afternoon, he went to two livestock farms south of Minneapolis.

The vice premier and his party are scheduled to leave for Los Angeles tomorrow.

**Attends Los Angeles Banquet**  
OW1605084488 Beijing XINHUA in English  
0804 GMT 16 May 88

[Text] Los Angeles, May 15 (XINHUA) — Visiting Chinese Vice Premier Tian Jiyun said here today that China welcomes businessmen from the U.S. western coast to invest and set up factories in China.

Tian made the remarks at a banquet hosted here tonight by Mayor of Los Angeles Tom Bradley in honor of the Chinese Vice Premier and the delegation he was leading.

Tian said, a strategy for China's coastal economic development, intended to develop a export-oriented economy, is being implemented in the vast expanse of China's coastal area. It has provided a good opportunity for trade and technical cooperation between China and the United States, the vice premier said.

Tian said, the city of Los Angeles, one of the cities that have the longest history of contacts with China, boasts advanced industry, finance and technology.

The vice premier hoped that Los Angeles would take a lead in cooperations with China on economy, trade and technology.

In his speech, the mayor said, "through trade, cultural and educational exchanges, and through the dealings of our business community with China, we have established sound basis for lasting peace and friendship between our two countries and two peoples."

The Chinese vice premier, who is on a friendly visit to the U.S. at the invitation of U.S. Vice President George Bush, arrived here this afternoon.

**'News Analysis' Discusses U.S. Inflation**  
OW1505230988 Beijing XINHUA in English  
0530 GMT 14 May 88

[("News Analysis: Finally, Inflation Accelerates," by Zhao Zijian—XINHUA headline)]

[Text] Washington, May 13 (XINHUA)—Low inflation provided room for U.S. economic expansion, but now the room is getting smaller, as all signs point to rising inflation.

Today's report by the U.S. Labor Department confirmed the suspicion during the past few weeks against inflation. In April, wholesale price rose an average of 0.4 percent led by the steepest price rise in energy in 15 months.

The chief economist of a Texas trading firm said before the Labor Department report was issued that prices for food and energy would be the concern for April and anything above 0.3 percent would be a worry.

Now the April rate, if adjusted for annual statistics, would mean a 4.6 percent hike in wholesale cost, more than twice the rate of last year, when the cost was 2.2 percent higher than 1986.

During April, energy price jumped 3.1 percent, a record since January 1987. Food prices rose 0.4 percent.

In fact, the U.S. Federal Reserve has already moved the U.S. economy to "fine tune." At the beginning of this week, which followed last Friday's report on further decrease of unemployment, the Federal Reserve tightened the credit market, which led to big New York banks' decision later to raise their prime rate — the rate at which they lend to best corporate customers — from 8.5 percent to 9 percent.

Increased interest rate here tends to boost the value of the U.S. dollar but depress the stock market, which witnessed a post-depression panic last October partly due to rising interest rates.

The action by the Federal Reserve is significant in that the governors of the central bank, including Chairman Alan Greenspan, are overwhelmingly Reagan appointees and would do anything to prevent a recession which will hurt the Republican Party in the election year.

Most of the governors earlier this week made public their views that inflation has become a factor of worry because factory capacity is high and unemployment rate is at the lowest point in 14 years.

Businessmen from around the nation found that prices for paper, chemicals, plastics, steel and other metals have risen and in some places, prices for copper, wheat, log and wool jumped by a big margin. Earlier Labor Department statistics showed that, during the first three months of this year, cost for health care rose 7.7 percent, clothing, 7.3 percent and entertainment, 5.6 percent at the adjusted annual rate.

Across the United States, factory operating rate has reached 82.3 percent and operating rates have exceeded 86 percent for textiles, paper, chemicals, rubber, plastics and aerospace firms. Economists say inflation acceleration will start when average factory operating rate reaches 85 percent.

Recently, Greenspan told the Senate Banking Committee that the Reagan administration and the Congress should find ways to contain federal spending, which he believed has contributed to the overheating, so that businesses can have more room for meeting increasing foreign orders.

So what will the U.S. economy turn out to be this year? The Business Council, which represents the largest corporations in America, reported that the current economic growth rate has reduced the possibility of a major downturn this year, but "the potential for a recession this year cannot be dismissed," as the local press quoted the report as saying.

"Inflation is moving upward, with plant capacity and labor constraints developing in some markets," the report said. It estimated that consumer price will rise 3.9 percent this year and 4.6 percent in 1989.

The report said the U.S. economy will slow down in the coming months and, "if not, it could produce an unavoidable rise in interest rates and a recession before the end of 1989."

According to Fred Bergsten, director of the Washington-based Institute for International Economics, the U.S. economy will no doubt enter into recession next year.

**Henry Liu Murderer Sentenced in U.S.**  
OW1505133488 Beijing XINHUA in English  
0807 GMT 13 May 88

[Text] New York, April 12 (XINHUA) — A member of a Chinese gang convicted of killing a Chinese-American writer in 1984 was sentenced today to a maximum term of 27-years-to-life in prison.

San Mateo County Superior Judge Margaret J. Kemp announced the sentencing of Tung Kuei-sen, 36, a member of the International United Bamboo Gang. Tung received 25-years-to-life for murder and two years for use of a firearm.

Tung was convicted in March by a Redwood City, California, jury of shooting Chinese-American writer Henry Liu to death on Oct. 15, 1984. Tung, who was dispatched by the Taiwan Intelligence Agency, killed Liu in the victim's garage in the suburb of San Francisco, California. He was extradited to the United States in 1986 after he fled to and was arrested in Brazil.

After today's sentencing, Liu's widow called it a fair sentence and said she expects the other two suspects in the murder will stand trial in the United States.

Tung was ordered to serve the prison sentence for Liu's murder after he completes a 20-year sentence for heroin smuggling.

**Correction to Tian Jiyan on Development Strategy**

The following correction pertains to the item headlined "Discusses Development Strategy," published in the 11 May China DAILY REPORT, page 5, column two, first partial paragraph, line one:

...total population of 160 million people. In... [changing number from 600 million to 160 million]

**Soviet Union**

**Soviet Withdrawal From Afghanistan Draws Comments**

**Previewed in 'Roundup'**  
OW1405200288 Beijing XINHUA in English  
1745 GMT 14 May 88

[("Round-up: Afghanistan Resistance Will Continue Fighting Despite Soviet Troop Withdrawal (Part One)" by Shi Guangzhou — XINHUA headline)]

[Text] Beijing, May 14 (XINHUA) — A war atmosphere still reigns over Afghanistan's capital Kabul [prior] to the Soviet troop withdrawal that begins tomorrow.

The Soviet Union plans to start pulling out its troops from Afghanistan beginning May 15 in accordance with the Geneva accords on a political settlement of the Afghan issue signed by Pakistan, the Kabul regime, the Soviet Union and the United States.

Nevertheless, it has continued to send a large amount of weapons and ammunition into this country. It has been reported that in one week at the end of March and beginning of April over 400 Soviet vehicles loaded with

weapons and ammunition arrived in Kabul. In the last ten days of April, about 1,000 trucks loaded with war material arrived in Afghanistan via Hairadan on the Soviet-Afghan border.

The Kabul regime is busy preparing for military operations although they have paid lip service to "national reconciliation." Since the Kabul regime will face a shortage of troops after the Soviet troop withdrawal, it has recruited new soldiers into the Army, promoted officers to build up their morale and transferred officers to establish a northern united command for the secret police, the security troops and other local troops. All these moves demonstrate preparations for a protracted war against the resistance in order to take firm control of the northern part of the country.

To date on the battlefield, the Soviet occupation troops and the Kabul Government troops have not halted attacks on the resistance forces.

On May 2, Kabul regime troops attacked resistance forces in Paktia Province, in southeast Afghanistan. During the fighting 60 Kabul regime troops and a Soviet general were killed.

Resistance forces have attacked Soviet troops and Kabul regime forces in all parts of the country and captured six towns. When Kabul regime troops took over positions from the Soviet troops, the resistance forces ran over six townships, including Panjwai, situated on the main road in the south, and Barikot and Asvar in the northeast, along with some other key strategic posts that Soviet troops and Kabul forces have held for a long time.

In five days of fierce fighting during the first week of May, resistance forces captured a main regime strong hold in Paktia Province, killing 200 Kabul troops.

On May 3, the resistance forces attacked combined Soviet-Kabul troops, capturing 15 and killing and wounding 68 others at Liza in Paktia Province.

Gulbuddin Hikmatyar, chairman of the Afghan Islamic Alliance of Mujahidin, issued a statement on May 12 [word Indistinct] that "we have not signed the Geneva accord and we cannot be committed to doing it." He also said the resistance forces are going to step up military engagement in the course of the soviet troop withdrawal.

Analysts have noted that although the Soviet Union will withdraw its troops from Afghanistan, the flames of war ignited by their invasion of that country will not soon die out.

#### Withdrawal Begins

OW160505588 Beijing XINHUA in English  
0037 GMT 16 May 88

[Text] Moscow, May 15 (XINHUA) — A contingent of Soviet motorized troops left Afghanistan's Jalalabad this morning and reached Kabul in the afternoon, ready to pull out of the country according to the Geneva agreement.

This would be the first group of Soviet troops to withdraw from the country in accordance with the agreement, signed by the United States, the Soviet Union, the Kabul regime and Pakistan on April 14. The agreement stipulates that the estimated 115,000 Soviet troops should start withdrawing from Afghanistan on May 15.

According to TASS, the motorized troops began to quit the city at 7:30 (local time). A Soviet military officer told reporters that the withdrawal was carried out "very smoothly," and that the troops will be on their way back home tomorrow after an overnight rest in the capital.

At present, more than 200 foreign reporters are in Afghanistan to cover the withdrawal.

#### Spokesman on Pullout

HK160509488 Hong Kong AFP in English  
0937 GMT 16 May 88

[Excerpt] Beijing, May 16 (AFP)—China said Monday it hoped the Soviet troop withdrawal from Afghanistan would be completed by the nine-month deadline set by the Geneva accord.

"We hope that the Soviet Union will withdraw all its troops from Afghanistan within the timetable set by the Geneva accord," a Foreign Ministry spokesman said by telephone.

China expressed the same desire when it first reacted to the U.N.-mediated April agreement in Geneva that calls for the estimated 115,000 Soviet troops in Afghanistan to pull out by February 15, 1989. The first troops began pulling out Sunday.

In its initial reaction, China also hailed the accord as "a positive development (and) a major victory for the Afghan people in their sustained heroic struggle against the foreign invasion."

Monday's statement did not include those words.

One Western analyst termed China's reaction "cautious," while a diplomat said China might reward the Soviet Union with a willingness to hold a foreign ministers' meeting within one year if all Soviet troops left Afghanistan before the deadline.

China has cited the Soviet presence in Afghanistan as one of three obstacles to normalisation of relations with Moscow. The others are the Vietnamese presence in Cambodia and a heavy Soviet troop presence along China's northern border.

In a commentary, the CHINA DAILY newspaper said Monday that international pressure on Vietnam to withdraw its troops from Cambodia would increase now that the Soviet Union was leaving Afghanistan. [passage omitted]

**'A Lesson of History'**  
OW1605095088 Beijing XINHUA Domestic Service  
in Chinese 0656 GMT 16 May 88

[**"A Lesson of History—On the Beginning of Soviet Troop Withdrawal From Afghanistan,"** by XINHUA reporters Ma Guang and Zhang Zhinian— XINHUA headline]

[Text] Beijing, 16 May, (XINHUA) — On 15 May, a Soviet motorized infantry contingent was withdrawn from Jalalabad, a strategic town in eastern Afghanistan, to Kabul, the capital. Today the Soviet contingent, equipped with 300 tanks and armored vehicles, continues to move northward to return to Soviet territory via Salang Highway, thereby showing that the Soviet Union is complying with the Geneva Agreements on the political settlement of the Afghan question and has begun to withdraw its troops from Afghanistan. This is a welcome move.

That a superpower with such a powerful military strength was unable to conquer a small and weak neighbor after a war of more than 8 years shows that truth will definitely prevail over might, and constitutes a lesson of history.

During the war, the Afghan people fought heroically against the foreign invasion, defended staunchly their national sovereignty and independence, and, under extremely difficult circumstances, dealt heavy blows to the Soviet troops, thus finally forcing the aggressors to pull out their troops back to their country. History has again taught people a lesson. That lesson is, namely, that an oppressed nation cannot be humiliated, that an oppressed nation is not free!

The Afghan people's struggle received extensive support never seen before in the world. Since the beginning of its invasion of Afghanistan in December 1979, the Soviet Union had all along been condemned strongly by the international community, rejected by the people politically, and become increasingly isolated diplomatically. The United Nations adopted, with an overwhelming majority of votes on nine occasions, a resolution demanding that the Soviet Union withdraw all its troops from Afghanistan immediately and unconditionally. With an increasing number of countries demanding the

Soviet troop withdrawal, 123 countries voted for the resolution at the 42d UN General Assembly last year. This again proves the truth that a just cause enjoys abundant support.

The protracted occupation of Afghanistan cost the Soviet Union not only \$20 billion but also death and injury for tens of thousands of soldiers, arousing strong discontent among the Soviet public. In letters to the authorities, some Soviet people asked: "When will the war end?" Others asked with grief and indignation, "Why did my son die?"

The grim reality finally made the Soviet leadership realize that the decision to invade Afghanistan had been wrong, and that pulling the Soviet Union out of Afghanistan and getting the heavy political and economic burden off its back would help promote reform at home and "new thinking" in foreign affairs. Thus, the Soviet troop withdrawal is also based on domestic and diplomatic needs.

The Soviet invasion of Afghanistan ran counter to the current trend of peace and development. In today's world, the time is past forever when the big can annex the small, and the strong can subjugate the weak. The withdrawal of Soviet troops from a country they invaded is indicative of the might of the spirit of the times.

With the withdrawal of the Soviet troops from Afghanistan, the issue of Vietnam's occupation of Cambodia will become more prominent. As long as the Soviet Union goes with the tide of history and respects the right of self-determination of the people of various countries, it can do something to resolve the Cambodian issue as well.

It should be pointed out that the beginning of the Soviet troop withdrawal does not mean the final settlement of the Afghanistan question. First, the Soviet Union should withdraw all its troops from Afghanistan within 9 months as scheduled in accordance with the Geneva Agreements. Second, the Soviet Union should undertake its unshirkable responsibility of restoring Afghanistan's peaceful and neutral status and eliminating the grave consequences of the war.

The present reality in Afghanistan is that bloody clashes have not come to an end; nor is there any sign that the 5 million refugees wandering in foreign lands will come back home in large numbers. On the eve of its troop withdrawal, the Soviet Union delivered to the Kabul regime large quantities of military supplies, including hundreds of air-to-surface missiles. Soviet military advisers will stay in Afghanistan for a long time to come. Meanwhile, the United States has provided the Afghan guerrillas with large quantities of "Stinger" missiles and other weapons and equipment, saying that it will continue to give the guerrillas military assistance if the Soviet Union does not stop aiding the Kabul regime.

The Afghan guerrillas are not one of the signatories of the Geneva Agreements and, therefore, are not bound by them. In a recent statement, Gulbuddin Hikmatyar, chairman of the Islamic Alliance of Afghan Holy Warriors, pledged to overthrow the Kabul regime by force and establish an Islamic government. Under these circumstances, the Afghan situation may continue to be turbulent without cease because of intervention by the two superpowers.

People hope that the two superpowers will stop their assistance to the two clashing sides and other forms of intervention in Afghanistan and contribute positively to the founding of a government which enjoys extensive support and is acceptable to all parties concerned. Only this will help restore Afghanistan's status of independence, neutrality, and nonalignment and will be conducive to its peace and development.

**Commentator on Kampuchea Tie-i's**  
**HK1605043088 Beijing CHINA DAILY**  
 in English 16 May 88 p 4

[“Opinion” column by CHINA DAILY Commentator: “Afghan Pullout”]

[Text] The withdrawal of Soviet troops from Afghanistan, which officially started yesterday as designated in the Geneva accord on a political settlement of the Afghan issue signed last month by Pakistan, the Kabul regime, the Soviet Union and the United States, is a real step towards ending the eight-year Soviet military aggression against the mountainous country in central Asia.

The Soviet invasion has plunged the Afghan people into an unprecedented national nightmare since the end of 1979, with more than one million dead in the war and five million turned into refugees, most of whom are camped in Pakistan and Iran.

The Soviet Union has also paid a high price. Over 30,000 of its soldiers have been killed or wounded and its financial losses are estimated at about \$20 billion. It was under great international and domestic pressure that the Soviet Government decided to terminate this aggressive war.

History has demonstrated once again that no matter how strong foreign invaders are, they will be driven back to their own houses sooner or later, so long as the invaded people persist in their just struggle with enough will and means.

The heroic Afghan people have never succumbed to foreign aggression since they formed a country in the middle of the 18th century. In this sense, the withdrawal of Soviet troops is only the latest victory of the Afghan people, which will certainly add another commemorating chapter to the nation's chronicle.

At the same time, it is also a triumph of the international community, especially the United Nations and Pakistan, in its protracted efforts to uphold fundamental principles governing relations among nations.

According to the Geneva agreement, the Soviet Union will pull half of its troops out of Afghanistan in the first three months of the withdrawal and remove all 115,000 invasion soldiers by mid February next year.

The most vital issue at the moment is that the Soviet Union pull out its troops strictly according to the timetable set in the agreement and seek no excuses to prolong their stay in the country or continue meddling in Afghan affairs.

Once foreign interference is gone, a more favourable international environment will arise in which Afghanistan can eventually become a truly independent, neutral and non-aligned country.

#### Viet Nam [subhead]

With the Soviet withdrawal from Afghanistan, the international community will logically focus its attention on the massive occupying Vietnamese force in Kampuchea. The Kampuchean issue surely will constitute one of the central topics at the annual session of the United Nations General Assembly later this year and at other international forums.

As in the case of Afghanistan, the key to a political settlement of the Kampuchean issue lies in an early and total withdrawal of foreign troops from the country. To save itself from mounting international condemnation, the Vietnamese authorities have no choice but to remove their forces from Kampuchea immediately and unconditionally and leave Kampuchean affairs to the Kampuchean people.

It is quite clear that a country like Viet Nam—torn by war since its independence in 1945 and afflicted with a desperate economic situation—found it impossible to launch a decade-long invasion war without foreign aid.

In fact, Moscow in the past ten years has been Hanoi's chief logistical backer. Everybody with common sense knows that without huge financial and military support provided annually by the Soviet Union, Viet Nam simply could not afford to sustain its troops in Kampuchea for a single day.

The Soviet Union has an unavoidable responsibility to help reach an early political solution to the Kampuchean issue by withdrawing its backing of Vietnamese expansionism.

How the Soviet Union will act on the issue after the Afghan pullout will be another true test of the sincerity of Moscow's peaceful intentions in Asia as proclaimed by Mikhail Gorbachev in his 1986 Vladivostok speech.

**XINHUA on Soviet Reaction to Reform**  
**OW1505014088 Beijing XINHUA Domestic**  
**Service in Chinese 0537 GMT 08 May 88**

[“Round-up — A Prelude to the 19th All-Union Conference of CPSU Delegates,” by XINHUA reporter Tang Xiuzhe—XINHUA (headline)]

[Text] Moscow, 7 May (XINHUA)— The convocation of the 19th All-Union Conference of CPSU Delegates is less than 2 months away. Recently, the Soviet central press has published a host of articles and a number of readers' letters, which reflect people's concern about this very important conference, because the effects of this conference on the fate of reform and the future of the country are not to be overlooked.

It has been 3 years since Gorbachev assumed the post of general secretary of the CPSU Central Committee. During this period, he has pushed vigorously the line of reform and made all-out efforts to promote openness and develop democracy. This has resulted in remarkable changes in political, economic, and cultural spheres of the Soviet Union. Nonetheless, the recent arguments on the subject of reform published in PRAVDA and SOVETSKAYA ROSSIYA show that both overt and covert forces against reform exist in the Soviet Union and these forces can even possibly reverse the process of reform. KOMSOMOLSKAYA PRAVDA describes the 3 weeks from 13 March, when SOVETSKAYA ROSSIYA published a female teacher's letter, to 5 April, when PRAVDA published an article by its Editorial Department, as “3 weeks of stagnancy.” In a delineative way, today's PRAVDA states that “scores of icebergs stand erect in the course of the boat of reform, and the hidden antireformists are poking the icebergs toward the sides of the boat.” Among the letters received by PRAVDA, three-fourths support the viewpoint contained in the article by the paper's Editorial Department. They stress the need to go all out for reform because “the Soviets, including the Soviet youths, need reform as imperatively as they need air.” In their opinion, “departing from reform or even delaying it will incubate extremely serious consequences for the domestic social development and the international status of the Soviet Union.” In an article published in SOVETSKAYA KULTURA, Yuri Andreyev, a Leningrad writer, comments that if the resolutions adopted by the party conference are not thoroughgoing, it will be “an epochal catastrophe, not only for the Soviet Union alone.”

It is precisely because the antireform force stated openly their views during the period of “3 weeks of stagnancy” and because reform might suffer a setback that many CPSU members and nonparty masses have paid close attention to the All-Union Conference of CPSU Delegates and have even worried about the composition of the delegates attending the conference. At a regular meeting on 28 April, the Political Bureau of the CPSU Central Committee discussed many organizational questions concerning the preparations for and convening of

the 19th All-Union Conference of CPSU Delegates. However, the press failed to carry specific contents. PRAVDA today says a communist should not remain indifferent to the choice of delegates, because “these delegates will not only defend the thoughts and actions of revolution, but also, whenever necessary, counterattack boldly conservatives' intentions.” The paper said: “We cannot afford to commit a blunder in election, because such a blunder will become unforgivable.” On 6 May, in summing up readers' letters, IZVESTIYA wrote: In view of the tremendous importance of the event, readers are suggesting the abandonment of the traditional way of doing things. A Tashkent engineer's letter said: “If protectors of the old system and apologists for stagnancy should attend the conference, today's standard-bearer of democracy would inevitably get the worst of it.” He suggested that the namelist of noted people across the country who were not afraid of elucidating their ideas during the years of stagnancy be made public and that delegates be selected from the cream of our nation. Today's SOVETSKAYA KULTURA carries a batch of readers' letters. Some of them suggested each candidate should state his own attitude on “reformed society's ideological mode” and announce his “program” for attending the conference, while some suggested no person who eulogized the “personality cult” in the past or person who belongs to the “period of stagnancy” should be among delegates attending the conference. The delegates should also include the “organizer” of that antireform article carried in SOVETSKAYA ROSSIYA and persons who “strutted about and were in high spirits” during the 3 weeks after the appearance of that article. Some of them also pointed out emphatically: “Today, our country's destiny should be determined by those who charge the enemy lines and walk in the forefront of the struggle.” In addition, the same paper also carries a reader's letter singing a different tune. The man wrote: “Nobody knows which is correct—the reformists or the antireformists? When we recall history, none of us knows whether truth belongs to Stalinism or Bukharinism.” He opposes “using mitts to cover up the mouth of an opponent in a debate,” and “permitting some people but forbidding some other people to join the discussion on complicated questions.”

Reform, especially the political structural reform, will be the central topic for discussion at this conference. Centered around this question, a heated argument has started. PRAVDA points out: “Concoctors of stagnancy are recalling past times; they will not give up voluntarily the position of administrative orders. We now can understand clearly why conservatives attribute all difficulties and errors to reform.” Many party members and readers stress that it is necessary to persist in bringing things into the open and the process of democratization, overcome obstacles set by the conservative force, and push reform forward. PRAVDA and other central papers also carry many suggestions made to the All-Union Conference, including affirming the system of a leader's tenure of office, dividing the functions of the party and the government strictly, strengthening supervision from

below, rectifying the party style, opposing criticizing cadres with the exception of leaders of party organs from the district to the central levels, and allowing speaking out different views. To draw a lesson from the experience acquired during the periods of the Stalin, the Khrushchev, and the Brezhnev administrations, many people note: We should guard against committing again the error of "monopoly of power leading to society suffering chronic maladies" and change the idea that "the general secretary is always correct; his words are the ultimate truth."

Because the Soviet Union is facing a struggle between those who reform and those who boycott reform, some readers write letters to newspapers stressing support for Gorbachev and worry about reform being strangled if he is assassinated. In his letter to SOVETSKAYA KULTURA, Borukhovich, a reader in Nizhnevartovsk City, wrote: "If the attempt to boycott reform should prevail, the people will not remain silent this time."

**PRAVDA Editor, Journalists in Beijing**  
OW1405133188 Tokyo KYODO in English  
1123 GMT 14 May 88

[Text] Beijing, May 14 KYODO — A Soviet journalists' mission headed by Viktor Afanasyev, editor in chief of the Communist Party organ PRAVDA, arrived in Beijing Saturday for a two-week visit to China.

It is the first visit to China by PRAVDA's editor since the escalation of Sino-Soviet tensions in the 1960s.

Afanasyev said upon arrival at Beijing Airport he has strong interest in China because he worked in Beijing over 40 years ago to oppose Japanese aggression.

The delegation's visit underlined the active Soviet approach toward China to improve bilateral relations.

The six-member mission, including a commentator of the government newspaper IZVESTIYA, will hold talks with Chinese officials in charge of economic affairs and visit various cities including Guangzhou and the Shenzhen Special Economic Zone.

**Meets With Peng Chong**  
OW1605101388 Beijing XINHUA in English  
0937 GMT 16 May 88

[Text] Beijing, May 16 (XINHUA) — Peng Chong, vice-chairman of the Standing Committee of the Chinese National People's Congress, met here today a delegation from the Journalists Union of the Soviet Union, headed by its Chairman Viktor Grigoryevich Afanasyev.

Peng briefed the visitors on China's current reform.

The delegation arrived Saturday at the invitation of the All-China Journalists Association.

## Northeast Asia

### Japanese Home Affairs Minister Okuno Resigns

**Journal on Remarks**  
HK1305122888 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 9 May 88 pp 26-27

[Article by Tang Tianri (0781 1131 2480): "Comments on Seisuke Okuno's View on History"]

[Text] Seisuke Okuno, Japanese Cabinet member, minister of home affairs, and director-general of the National Land Agency, paid homage on 22 April at the Yasukuni Shrine as a public official; the shrine consecrates the memorial tablets of the most serious war criminals, including Tojo Hideki. What he told reporters and what he said in the Diet after this action are a series of opinions that were intended to reverse the verdict on the war of aggression launched by the Japanese militarists. These opinions are described as "Seisuke Okuno's View of History."

### What is Seisuke Okuno's view of history?

Okuno said: "At that time the white race considered Asia their colony. Japan fought to protect its territory, and Japan was not an aggressor country." He also said that obtaining the independence of Asian countries was a result of the "Greater East Asian War." This minister of home affairs distorted history wantonly and confounded right and wrong in the extreme. However, history tells people honestly that the so-called "Greater East Asian War," whether considered from its purposes or consequences, was totally a war of aggression launched by the Japanese militarists. It not only brought unprecedented calamity and disaster to the people of China and many other Asian countries, but also made Japanese people suffer. The independence achieved by various Asian nations was a result of the long-term difficult struggle by the peoples of these countries, the assistance and cooperation provided by the allied countries, and the final defeat of the "Greater East Asian War" launched by the Japanese militarists.

Okuno said: "I think it is regrettable that the verdict of the war stamped Japan with the brand of an aggressor country." He also questioned: Why do people call Japan an aggressor country and say that it was militarist? These opinions illustrate that Okuno wants to reverse the Tokyo trials of the Japanese militarists for crimes of aggression by the Far East International Military Court. However, everybody knows that when the Second World War was over the Far East International Military Court, formed by 11 countries such as China, the USSR, the United States, Britain, France, India, and so on, held a trial of 28 of the most serious war criminals including Tojo Hideki. It also exposed and criticized Japan's crimes of planning, preparing for, mobilizing, and launching the war of aggression in those 20 years. The

court verdict contained a total of 1,213 pages. The facts are all there and these are irrefutable proofs. Nobody can change the fact that Japanese militarism will ever be an insult to history.

The realities prove that Okuno's view of history is not the view of the Japanese people, but the political trend of thought of an extremely small number of people of the rightist force, as they are called by the Japanese people. On the basis of this trend of thought they can distort, confuse, and reverse whatever historical facts and historical conclusions they consider necessary. Through its representatives in Japanese political circles this rightist force often emerges and calls back the spirit of Japanese militarism, or plots the textbook alteration incidents, or delivers opinions reversing the verdicts.

There are historical and practical reasons for the emergence of this view of history and the political trend of thought that intends to reverse the verdict on the war of aggression.

Viewed from the historical aspect, when the Second World War was over, Japan was different from Federal Germany although both were defeated countries. In Germany, the Nazi trend of thought was criticized and Nazis were accused and blamed by everybody. In Japan, militarism was not thoroughly exposed and criticized. There has even been an extremely small number of militarists in the government party, the Liberal Democratic Party, during the period of various government. Among them, some have made use of opportunities to occupy important positions in the party and government. Once there is an opportunity they will, by themselves or in support of others, try to reverse the verdict of the war of aggression.

Viewed from the practical aspect, Japan is now the largest economic and financial power in the capitalist world, next to the United States. It has also put forward the strategic target of making Japan an "international country;" and has announced that it is going to make the 21st century a "Japanese century." Under such circumstances the militarists try to make use of these opportunities to turn the direction of the Japanese peaceful development, to recover the previous tradition of the "Great Japanese Empire," and to review an old fantasy of the "Greater East Asian Co-Prosperity Sphere."

Because of this, the Chinese leaders gave Japan advice after the event in accordance with the Sino-Japanese Joint Declaration. The purpose was to tell Japan that it can draw lessons from the past if Japan does not forget it. China hopes that Japan can learn lessons from the past so that the two countries can still maintain a friendly relationship in future generations. However, Okuno has an underlying motive in claiming unscrupulously that it is a "sad" thing that the Japanese people are "manipulated" by the opinions of the Chinese leaders; and also in requesting the Japanese people not to "lose the inherent spirit." In practice, Okuno does not want the Japanese

people to carry out the spirit and principles of the Sino-Japanese Joint Declaration, but to follow the "spirit" and view of history he propagates which goes against these principles. People will naturally ask: What direction does Okuno want Japan to go? The Japanese people will not forget that the "Greater East Asian War" praised by Okuno also looted Japan. Okuno's ridiculous view on history is being vehemently attacked and objected to by the Japanese people and just public opinion. The Japanese people and the people in Asian countries will resolutely not allow a repeat of the "Greater East Asian War."

#### Okuno Resigns

OW1305143588 Beijing XINHUA in English  
1358 GMT 13 May 88

[Text] Tokyo, May 13 (XINHUA) — Japanese State Minister Seisuke Okuno resigned today over his repeated controversial remarks denying Japanese aggression during the World War II.

The director general of the National Land Agency handed his letter of resignation to Prime Minister Noboru Takeshita at his official residence late this afternoon.

Takeshita accepted the resignation of the 75-year-old Okuno, whose post was generally considered to be one of the most powerful in the 21-member Takeshita Cabinet.

Okuno has made a series of controversial remarks since April 22 after visiting Tokyo's Yasukuni Shrine where memorial ceremonies are held for Japanese war dead, including a class-A war criminals. He has repeatedly said Japan was not an aggressor in the World War II and criticized Chinese leader Deng Xiaoping.

Okuno's remarks immediately caused bitter reactions from China and other Asian nations which had suffered Japanese aggression before and during the war.

The remarks also drew sharp criticism from the Japanese opposition parties.

However, Okuno defied criticism both at home and abroad by repeating what he had said earlier. He also added fuel to the fire by labelling as "accidental" the 1937 Marco Polo Bridge incident in which Japanese invading forces fired upon Chinese troops, starting the Sino-Japanese war.

According to political sources here, the government is preparing a formal statement by chief Cabinet Secretary Koizo Obuchi on Okuno's statements and resignation. The government is also considering dispatching special emissaries to Beijing and Seoul over the matter.

Major opposition parties here have expressed the view that it was only natural that Okuno should quit his post.

The Japan Socialist Party and other opposition parties had earlier exerted pressure on the Takeshita Cabinet, demanding severe measures be taken against Okuno, including his dismissal.

**Background Reviewed**  
*OW1605061788 Beijing in Japanese to Japan  
0930 GMT 15 May 88*

[Radio Beijing commentator's article: "Those Who Distort History Shall Be Punished"]

[Text] Director General Okuno of the National Land Agency, who has been defending Japan's aggressive acts during World War II since the latter part of April, was forced to hand in his resignation under domestic and international pressure. Prime Minister Takeshita accepted his resignation immediately. This is the second resignation of a Japanese cabinet member for defending past Japanese aggressive acts. The first was that of ex-Education Minister Fujio.

Both Fujio and Okuno insisted that Japan was not an aggressive country. One cannot but be shocked and indignant at such public distortion of recent history by a politician and cabinet member. History is not something that can be changed at will. Absolutely no one can rewrite the aggressive acts committed by the Japanese militarists during World War II.

On 18 September 1931, the Japanese invasion Army instigated the 18 September incident in Shenyang and invaded the northeast region of China. On 7 July 1937, it instigated the Marco Polo Bridge incident in northern China and began its general aggressive war against China. During the 8 years of the Japanese imperialists' aggressive war, Japan committed more than 2.6 million men. On top of this, on 8 December 1941, Japan also started the Pacific War and extended the claws of its aggression to Southeast Asia and Oceania. At that time, many countries, including the Philippines, Singapore, Malaysia, Indonesia, Thailand, Burma, and the Indochina Peninsula, were trampled by Japanese imperialism one after the other. With regard to this matter, many important international legal documents, such as the Cairo Declaration of 1943, the Potsdam Declaration of 1945, Japan's instrument of surrender, the 1948 verdict of the Far East military tribunal held in Tokyo, and the 1945 UN Charter, have legally recognized the fact of Japanese imperialism's aggressive war against China and other countries.

Forty years have passed since the end of World War II, started by German, Italian, and Japanese fascism. Those who experienced the war are still alive. Three years ago, ceremonies were held worldwide to commemorate the victory of the antifascist war. Despite all this, Okuno, a Japanese cabinet member, has repeatedly attempted to

distort history and defend and rehabilitate past Japanese aggressive acts. This indicates clearly once again that the apparition of former Japanese militarists still haunts the Japanese islands today.

As happened to Fujio, Okuno's statements were sternly criticized by the Chinese people and the people of other Asian countries who endured great sufferings during the Japanese aggressive war. It is only natural that such statements have also been strongly censured domestically by the opposition parties and public opinion. It is under such conditions that Okuno was forced to resign.

However, will the views and stand of Okuno and his like change with his resignation? Countries which respect history and love peace should contemplate this and always be on guard.

**Replacement Named**  
*OW1305154288 Beijing XINHUA in English  
1509 GMT 13 May 88*

[Text] Tokyo, May 13 (XINHUA) — Japanese Prime Minister Noboru Takeshita today named Hideo Utsumi, former construction minister, to succeed Seisuke Okuno as director general of the National Land Agency.

Okuno, 75, resigned his post earlier today in response to strong adverse reaction at home and abroad to his repeated and controversial remarks denying Japan's role as aggressor during the World War II.

Utsumi, 66, was first elected to the House of Representatives in 1967 and was construction minister under the first cabinet of Prime Minister Yasuhiro Nakasone: elected in 1982.

**Uno Stresses Friendship**  
*OW1305181288 Beijing XINHUA in English  
1734 GMT 13 May 88*

[Text] Tokyo, May 13 (XINHUA)—Japanese Foreign Minister Sosuke Uno said here today that Japan will make further efforts to promote friendly relations with neighboring nations.

Uno made the remark after Seisuke Okuno resigned today as the director general of the National Land Agency after causing a controversy by defending Japan's aggressive actions during the Second World War.

Uno said that the Japanese Government sticks to the understanding of history laid down in the 1972 Japan-China Joint Statement and the 1965 Japan-South Korean Joint Communiqué.

Expressing his hope that mounting criticism from China will subside after Okuno's resignation, the foreign minister said Okuno's controversial comments on Japan's wartime aggression will not adversely affect Prime Minister Noboru Takeshita's planned visit to China in August.

Hideo Utsumi, a 66-year-old former construction minister, has been picked to succeed Okuno. The newly-appointed state minister said today that Japan should promote friendly relations with China on the basis of the 1972 joint statement and the 1978 Japan-China Peace and Friendship Treaty.

#### Commentary on Incident

*OW14051115088 Beijing XINHUA Domestic Service  
in Chinese 1408 GMT 13 May 88*

[Commentary by XINHUA reporter Liu Wenyu: "What Can Be Learned From Okuno's Resignation"—XINHUA headline]

[Text] Beijing, 13 May (XINHUA) — Seisuke Okuno, the director general of Japan's National Land Agency, resigned this evening. He was compelled to leave his post after being repudiated and severely criticized for making a host of statements reversing the verdict on Japan's war of aggression. His resignation shows the powerful force of justice as well as popular resentment of attempts to defend the aggressive war.

During a 22 April visit to Yasukuni Shrine where the memorial tablets of Hideki Tojo and other class A war criminals are enshrined, Okuno, as if bewitched by evil spirits, said that "Japan was never an aggressor country" and that "Japan launched the war to defend its own security." While trying to justify Japan's anti-China war, Okuno said on 9 May that "Japan had no intention of invading." Until 12 May he still insisted that "I will not revoke any statements I have made so far." Okuno's obstinate attempt to defend the aggressive war has gravely hurt popular feelings in countries invaded by Japan, damaged Japan's international image, and adversely affected Sino-Japanese relations. Criticism of Okuno from various circles, of course, is justified.

However, people cannot rest assured with Okuno's resignation because similar incidents have occurred repeatedly in Japan over the past years. In 1982, a textbook approved by Japan's Education Ministry altered the word "invasion" to "advance," thus leading to a strong uproar at home and abroad. In 1986, another textbook approved by the Education Ministry again described Japan as being compelled to launch the war of aggression against China; it said the aim of Japan's "Pacific War" was "to liberate Asia from the rule of European and American powers and to establish a great Asian sphere of common prosperity led by Japan." In the same year, no sooner had he taken up his post, then Education Minister Masayuki Fujio defended Japan's war of aggression by

asserting that the Japanese troops committed the massacre in Nanjing "in order to eliminate resistance." He also refused to recognize that there were war criminals in Japan. Fujio was dismissed as education minister, but Director General Okuno of the National Land Agency sang the same tune.

It seems there is a reason underlying the recurrence of such incidents in Japan. Although Japan announced its surrender in 1945, it has not drawn enough lessons from the war. TOKYO SHIMBUN said in an editorial on 12 May that "the publicity given to Okuno's statements is clear proof that postwar Japan has not yet settled accounts with what it did during the war." In this way, as FRG President Weizsaecker admonished his countrymen, "those who ignore the past will also turn a blind eye to the present. Those who fail to bear in mind barbarous acts will face the danger of following the same old disastrous road."

Japan has become an economic power, and its military budget is third in the world, next only to the United States and the Soviet Union. Japan's every move is closely watched by people all over the world. Judging from the Fujio and Okuno incidents, Japan seems to be at a juncture of two different futures: heading toward progress or repeating the same old disastrous road.

The war of aggression launched by Japan inflicted miseries not only on the Chinese and other Asian peoples but also on the Japanese people. Therefore, in order to prevent a repeat of the war, not only Japan's neighbors but also Japan itself must heighten its vigilance.

#### Nagoya Monument Vandaled

*OW1305141288 Beijing XINHUA in English  
1140 GMT 13 May 88*

[Text] Tokyo, May 13 (XINHUA) — A Japan-China Friendship monument in Nagoya in central Japan was vandalized for the second time, according to Nagoya City authorities today.

The inscription plate of the monument, located in Nagoya's Hisaya Odori Park, a gift given by the city of Nanjing, China, in 1980, was found ripped off the monument on the ground nearby and the monument itself damaged.

Nagoya authorities expressed regret over the action, which they said damages Japan-China friendship.

Police suspect that the vandalism was committed by a person or persons hostile to the Chinese Government's protests against Japanese Cabinet Minister Seisuke Okuno's recent remarks justifying Japan's wartime actions.

In July last year, the monument was painted red by a right-wing activist, who was arrested last September by police and sentenced to an eight-month prison term.

Since June last year, five China-Japan friendship monuments in Japan, including a memorial tablet to late Chinese Premier Zhou Enlai, have been vandalized.

**Zhao Receives DPRK Delegation**  
*OW1405162088 Beijing XINHUA in English*  
*1433 GMT 14 Apr 88*

[Text] Beijing, May 14 (XINHUA)—A delegation from the Democratic People's Republic of Korea met here today with China's top leader, Zhao Ziyang.

The delegation was led by Kim Pok-sin, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea (WPK) and vice-premier of the Administration Council.

Both Zhao and Kim spoke highly of Sino-Korean friendship.

Zhao, general secretary of the Chinese Communist Party Central Committee, described China's links with Korea as "very good and very close" and noted there are frequent contact and exchanges on visits between leaders of both countries.

Strengthening Sino-Korean friendship, which was cemented with blood during the Korean War, is a consistent policy of the Chinese Party and Government, he said.

He hoped the friendship, founded by Korean President Kim Il-song, late Chairman Mao Zedong, late Premier Zhou Enlai, and Deng Xiaoping, will continue to grow and prosper.

Kim Pok-sin believed it would.

She expressed thanks to the Chinese Party and Government for their consistent support of the Korean people in their endeavors to build up their country and achieve a peaceful reunification of the fatherland.

**Near East & South Asia**

**Indian National Congress Delegation on Visit**

**Meets With Wu Xueqian**  
*OW1305131488 Beijing XINHUA in English*  
*1119 GMT 13 May 88*

[Text] Beijing, May 13 (XINHUA)—Chinese Vice-Premier Wu Xueqian reiterated here today that China has always attached great importance to developing friendly relations with India.

Wu, who is also a member of the Political Bureau of the Chinese Communist Party Central Committee, made this remark at a meeting here today with a delegation

from the Indian National Congress (Indira Gandhi) led by Bali Ram Bhagat, member of the Congress' National Committee and former Foreign Minister of India.

Wu said that it is important to Asia's stability and peace for China and India to further their friendly relations, which also have a positive effect on world peace.

He noted that it is an important aspect of China's independent foreign policy of peace to develop friendship with its neighbors.

The eight rounds of Sino-Indian boundary talks, Wu went on, have enhanced mutual understanding and promoted the Sino-Indian relations.

He maintained that the Chinese Government always adopts a positive and serious attitude toward the Sino-Indian boundary question and wishes to settle the question through friendly negotiations and in a manner acceptable to both peoples.

He said that both China and India need a permanent peaceful environment to develop their economies.

Bhagat told Wu that he had useful and fruitful talks with Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee.

He said that to develop relations between political parties of the two countries is important to further relations between the two governments and peoples.

He said that India and China share the goal of pursuing regional and global peace and friendship between neighboring countries.

The Indian delegation, which is the first official delegation from the Indian National Congress to China, arrived here May 7 at the invitation of the Chinese Communist Party.

**Talks With Hu Qili**  
*OW1405123588 Beijing XINHUA in English*  
*1119 GMT 14 May 88*

[Text] Beijing, May 14 (XINHUA)—A senior official of the Communist Party of China (CPC) today expressed the wish to further friendly relations between the CPC and the Indian National Congress (Indira Gandhi).

"To further the friendship between our two parties is conducive to promoting the mutual understanding and friendship between our two parties and peoples," he added.

Hu Qili, Standing Committee member of the Political Bureau of the CPC Central Committee, made these remarks at a meeting with a delegation from the Indian National Congress (Indira Gandhi) here today.

He said that China has taken note of the remarks made by Prime Minister Rajiv Gandhi about restoring the sound relations India and China developed during the administration of Prime Minister Jawaharlal Nehru.

He noted that much progress has been made in the relations between the CPC and the Indian National Congress since the two parties began contacts in 1985.

Bali Ram Bhagat, head of the Indian delegation and member of the National Committee of the Indian National Congress, told Hu that the Indian National Congress wishes to develop friendly relations with the CPC and the Chinese people since such relations are good for peace and stability in Asia.

Continued development of the relations and mutual understanding between the two parties and countries, he went on, can create an atmosphere of mutual trust.

Hu accepted Bhagat's invitation to send a CPC delegation to visit India and asked him to convey greetings from CPC leaders to Rajiv Gandhi, president of the Indian National Congress.

After the meeting, Hu hosted a dinner for the Indian delegation, which is scheduled to leave here for Guangzhou tonight.

#### Bhutan Boundary Talks Delegation Attends Meeting

Meets With Li Peng  
*OW1405135088 Beijing XINHUA in English*  
1202 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA) — Chinese Premier Li Peng today called for China and Bhutan, which have maintained sound relations without any conflicts, to continue their friendship.

Li said this at a meeting with a Bhutanese delegation to the fifth round of Sino-Bhutanese boundary talks led by Dasho Om Pradhan, deputy minister for trade and industry, here today.

Li said that the Sino-Bhutanese boundary question, which is nothing serious, can be solved through consultation.

Om Pradhan told the Chinese premier that the fifth round of the boundary talks was very successful thanks to the understanding and good will shown by the Chinese side.

Li extended congratulations and said that China always maintains countries and nations, whether big or small, should learn from each other's strong points and promote mutual understanding in order to make common progress.

Om Pradhan also conveyed greetings from Bhutanese King Jigme Singye Wangchuck to the Chinese premier as well as a letter from the king to Chinese President Yang Shangkun.

The Bhutanese delegation is scheduled to leave here for other part of China tomorrow.

**Signs Communique**  
*OW1405125688 Beijing XINHUA in English*  
1153 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA) — Following is the full text of a joint communique on the fifth round of boundary talks between China and Bhutan which was signed here tonight.

#### Joint Communique (subhead)

The fifth round of the bilateral boundary talks between Bhutan and China were held in Beijing from 10 to 14 May 1988. The delegation of the Kingdom of Bhutan was led by H.E. Dasho Om Pradhan, deputy minister for trade and industry. The delegation of the People's Republic of China was led by Vice-Foreign Minister H.E. Mr. Liu Shuqing.

The Bhutanese delegation had the honour and privilege to call on H.E. Mr. Li Peng, premier of the State Council of the People's Republic of China. Dasho Om Pradhan conveyed to Premier Li Peng the good wishes and cordial greetings from His Majesty Jigme Singye Wangchuck, king of Bhutan, to Premier Li Peng and other Chinese leaders. Premier Li Peng asked the deputy minister to convey the Chinese leaders' good wishes and greetings to His Majesty King Jigme Singye Wangchuck.

The Bhutanese delegation also had the honour to call on H.E. Mr. Qian Qichen, foreign minister of the People's Republic of China.

The fifth round of talks were held in a most cordial and friendly atmosphere of cooperation. Through friendly consultations, the two sides reached the following agreement on the guiding principles for the settlement of the boundary issue:

1. Observing the five principles of peaceful co-existence, namely, mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference into each other's internal affairs, equality and mutual benefit and peaceful co-existence;

2. Treating each other on an equal footing and entering into friendly consultations on the basis of mutual understanding and mutual accommodation with view to reaching a just and reasonable settlement;

3. Taking account of the relevant historical background based on traditions, custom, usage and administrative jurisdiction while accommodating the national sentiments of the two peoples and the national interests of the two countries;

4. Pending final settlement of the boundary question, maintaining tranquility on the border and status quo of the boundary as before March 1959 and refraining from unilateral action, or use of force, to change the status quo of the boundary.

In accordance with the above-mentioned guiding principles, the two sides exchanged views on the demarcation of the Bhutanese-Chinese boundary. The two sides reiterated their desire to maintain a peaceful and friendly border and expressed their keen determination to make every effort for an early demarcation of the boundary. The two sides expressed their satisfaction with the results of the talks.

The two delegations also had a useful exchange of views on international issues of mutual interest and concern and briefed each other on the efforts of their countries' economic development and commended the achievements made by the other side.

The two sides agreed that the sixth round of talks would be held in Bhutan in 1989. The precise dates for the meeting will be finalized after consultation between the two sides through diplomatic channels.

The Bhutanese delegation expressed their heartfelt thanks to the government of the People's Republic of China for the warm welcome and generous hospitality extended to them during their stay in China.

### West Europe

**Wan Li Cited on Cooperation With West Europe**  
OW1305141988 Beijing XINHUA in English  
1330 GMT 13 May 88

[Text] Beijing, May 13 (XINHUA) — It is an important component of China's foreign policy to increase friendly cooperation with West European countries, Chinese leader Wan Li said here today.

Wan, chairman of the Standing Committee of the National People's Congress, made the remark at a meeting with Louis Jung, president of the Parliamentary Assembly of the Council of Europe.

China hopes to further cooperate with West Europe in economy, culture, science and technology to achieve common development since great potentialities exist between both sides in this regard, he said.

A united and powerful Western Europe and an independent and prosperous China will contribute to world peace and stability, he said.

The bilateral relationship between China and the council has developed well over the past years, he noted. It demonstrates that both sides hope to increase exchanges and promote understanding.

He spoke highly of the council's support to China's economic development.

Louis Jung said, he and his colleagues all agreed with Wan that it is important for the Western Europe and China to increase their cooperation, and their understanding and cooperation will help safeguard world peace and stability.

Wan said China is deeply concerned about the North-South question. He called for joint efforts for a new international economic order.

Louis Jung held the developed countries should and have the responsibility to help the underdeveloped and developing countries with their economic development so that they may get better off.

Louis Jung and his party arrived in Beijing Wednesday at the invitation of the Chinese People's Institute of Foreign Affairs.

Founded in 1949, the Council of Europe has 21 member countries. As an advisory institute composed of the foreign ministers and some congressmen of the member states, the council studies problems concerning these countries and European cooperation. The Parliamentary Assembly is an advisory department of the council.

### Rong Yiren Continues Official Visit to UK

**Discusses Economic Cooperation**  
OW1305203888 Beijing XINHUA in English  
1538 GMT 12 May 88

[Text] London, May 12 (XINHUA)—A Chinese parliamentary leader and leading businessman said here today that he was confident about further development of economic relations between China and Britain.

Rong Yiren, vice chairman of the Standing Committee of the Chinese National People's Congress (NPC) and chairman of the China International Trust and Investment Corporation (CITIC), made these remarks at a press conference this morning.

He said that at his meetings earlier this week with British Prime Minister Margaret Thatcher, Foreign Secretary Sir Geoffrey Howe and Trade and Industry Secretary Lord Young, they all expressed satisfaction with the good relations between China and Britain and agreed that bilateral trade and economic cooperation should be further increased.

Asked about certain problems concerning British companies in their investment in China, Rong said that these problems were not one-sided and they could be solved through efforts from both sides.

China was working to improve its investment environment and simplifying certain procedures, he said, adding that Britain on its part should try to increase its competitiveness.

Rong, who is leading an NPC delegation on a visit to Britain, said that his company was considering how to expand economic and technological cooperation between the two countries.

"There are many opportunities for investment in China, but of course, we will not exclude the possibilities of investing in Britain," he said.

Rong and his party arrived in London on Sunday at the invitation of the British Parliament.

#### Meets Chinese in UK

OW1605015588 Beijing XINHUA Domestic Service  
in Chinese 0133 GMT 10 May 88

[By reporter Xue Yongxing]

[Text] London, 8 May (XINHUA)—This afternoon, Rong Yiren, vice chairman of the NPC Standing Committee, who is currently visiting the United Kingdom, met with Overseas Chinese, leaders, and representatives of Chinese organizations from all over the United Kingdom at the Chinese Embassy. He posed with them for a souvenir photograph.

Some 150 Overseas Chinese, leaders, and representatives of Chinese organizations attended the gathering. Many of them came from faraway places like the Scottish capital of Edinburgh and the Welsh capital of Cardiff.

During the meeting, Rong Yiren made a warm speech. He said that this visit to the United Kingdom is the first by the NPC to a foreign country since the First Session of the Seventh NPC. He conveyed his warm greetings to Overseas Chinese and people of Chinese descent living in the UK on behalf of the NPC delegation.

After giving a brief introduction about the situation in China and the First Session of the Seventh NPC, he said: Most of our overseas compatriots and friends came from the coastal regions of China, while some came from the inland. Everyone can play a role, one way or the other, in the economic development of the motherland by making use of development in the coastal regions to give impetus to development in the inland.

After the speech, Vice Chairman Rong Yiren held cordial talks with some representatives, and replied to each and every question they had.

At the invitation of the British Parliament, the NPC delegation arrived in London yesterday to begin an 8-day friendly visit to the United Kingdom.

#### Ends Visit

OW1505120288 Beijing XINHUA in English  
1139 GMT 15 May 88

[Text] London, May 15 (XINHUA) — A Chinese parliamentary delegation led by Rong Yiren, vice chairman of the Standing Committee of the National People's Congress (NPC), left for home today after a week-long visit to Britain.

During the visit which he described as "successful," Rong held talks with Lord Chancellor Lord Mackay and Speaker of the House of Commons Bernard Weatherill, and exchanged views with them and members of British Parliament.

The NPC vice chairman also met British Prime Minister Margaret Thatcher, Foreign Secretary Sir Geoffrey Howe and Trade Secretary Lord Young. Both sides express over the relations between the two countries and agreed to work together to further trade and economic cooperation. [sentence as received]

Rong, who is also chairman of the China International Trust and Investment Corporation (CITIC), discussed with leading British businessmen ways and means to increase trade and cooperation between the two countries and called on them to invest in China's coastal regions which the Chinese Government has set to undergo rapid economic development.

The visit was made at the invitation of the British Parliament. Rong has expressed the hope that through the visit the relations and cooperation between the legislative bodies of the two countries will be further strengthened.

Irish President Continues Visit to Countryside  
SK1405113888 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 12 May 88

[Text] While accompanied by Qin Zhongda, head of the state escort group and PRC minister of chemical industry, Ma Shizhong, vice governor of the provincial government, and his wife, and Patrick John Hillery, president of the Republic of Ireland, and his wife toured Tai Shan, Qufu, the Confucian temple, Confucius's residence, and Confucius' tomb on 12 May.

The weather in Tai'an was clear on 12 May. At 1000, President Hillery ascended Nation Gate at Taishan by tourist coach, then showed great interest as he toured the Heaven Stairs and (Bixia) Temple in a relaxed manner. He praised highly the magnificent Tai Shan.

He said: The words Tai Shan are meaningful and significant. We are very glad to ascend Taishan and to admire the scenery of Tai Shan. After seeing that those who are climbing Tai Shan, including the old and young, are very healthy, I am growing younger.

He expressed the hope that the friendship between China and Ireland would become as strong as Tai Shan.

Despite his weariness due to travelling, President Hillery arrived in Qifu by car and visited the Confucian temple, Confucius' residence, and Confucius' tomb. In front of Confucius' tomb, he inquired about Confucius' life story in detail. Although Confucius was a sage in China, he has had an impact on the whole world. My personal visit to Confucius' native place has left a deep impression on me.

President Hillery and his wife and party will leave the province for Shanghai to continue their visit on the morning of 12 May.

**Goes to Shanghai**  
OW1305150888 Beijing XINHUA in English  
1200 GMT 13 May 88

[Text] Jinan, May 13 (XINHUA)—Irish President Patrick John Hillery and his wife wound up their visit to Shandong Province and left here for Shanghai today.

The Irish guests, who arrived here Wednesday, visited a school, a factory and scenic spots in Jinan. They were also honored at a banquet given by Shandong Province's Governor Jiang Chunyun.

During their stay in Shandong, the Irish visitors also went to famous Taishan Mountains and toured the home of Confucius in Qufu.

**Ends Visit**  
OW1505194788 Beijing XINHUA in English  
0638 GMT 15 May 88

[Text] Shanghai, May 15 (XINHUA)—President of Ireland Patrick John Hillery wound up his state visit to China and left here with his wife and their party by plane today.

Upon the departure of Hillery, Qin Zhongda, Chinese minister of chemical industry who was accompanying the president on the tour, conveyed to him a telephone message of regards from Chinese President Yang Shangkun.

Yang said in the message that Hillery's current successful visit to China has helped enhance mutual understanding and friendship between China and Ireland and is of great significance for expanding Sino-Irish friendship and cooperation.

Yang also asked Hillery to convey the Chinese people's best wishes to the Irish people.

During his visit, Hillery invited Yang to visit Ireland. Yang accepted the invitation with pleasure.

Hillery and his party arrived here May 13. Upon their departure, they were seen off by Qin Zhongda and Shanghai Mayor Zhu Rongji.

## Latin America & Caribbean

### Argentine President Continues Official Visit

**Greeted by Yang Shangkun**  
OW1305125088 Beijing XINHUA in English  
1145 GMT 13 May 88

[Text] Beijing, May 13 (XINHUA)—Argentina's President Raul Alfonsin received a red-carpet welcome here today two hours following his arrival in the Chinese capital for a four-day state visit to China at the invitation of Chinese President Yang Shangkun.

The welcome ceremony, presided by Chinese President Yang Shangkun outside the Great Hall of the People in central Beijing, featured a 21 gun-salute, the playing of Argentine and Chinese national anthems and reviewing of a guard of honor of the three services of the Chinese People's Liberation Army.

Present at the ceremony were Vice-Chairman Wang Hanbin of China's National People's Congress Standing Committee; Lin Zongtang, chairman of the reception committee of the Chinese Government and minister of aeronautics and astronautics industry; Qian Qichen, Chinese foreign minister; Xu Xin, deputy chief of General Staff of the Chinese Liberation Army as well as Argentine officials accompanying their president on his current China visit.

The two leaders then walked into the Great Hall of the People and had a cordial conversation. They spoke highly of the good relationship between the two countries and held that both countries share identical views on many issues.

President Alfonsin expressed his thanks to China for its support to Argentina on the Malvinas Islands.

**Attends Banquet With Yang**  
OW1305153088 Beijing XINHUA in English  
1457 GMT 13 May 88

[Text] Beijing, May 13 (XINHUA)—Chinese President Yang Shangkun today reiterated that China attaches great importance to developing friendly ties with Latin-American countries.

"The Chinese Government and people sympathize with and support the Latin-American peoples in their efforts to safeguard state sovereignty and develop national economy," he said at a banquet here in honor of visiting Argentine President Raul Alfonsin.

Citing Sino-Argentine relations as a good example, Yang said that China and Latin-American countries should learn from each other and cooperate with each other for common good.

Yang praised Argentina for its consistent efforts for peace and development, saying that the Argentine Government and people have promoted democracy and economic progress in their country.

He also paid tribute to Argentina's pursuit of an independent and non-aligned foreign policy and its positive role in solving Central American conflicts and the debt issue faced by Latin-American countries. He praised the country for promoting unity, cooperation and integration of Latin-American countries and world disarmament.

He said the world has recently begun to move towards relaxation. This could not be separated from the efforts of the international community for disarmament and peace.

"However, this is only a start. Real relaxation and large-scale disarmament will be a long and arduous process," he said.

Yang said the Chinese Government opposes the arms race and stands for disarmament and has already taken steps towards its own disarmament.

He said the two superpowers have special responsibilities to stop the arms race and carry out disarmament.

In his speech, President Alfonsin expressed satisfaction with the smooth development of the Sino-Argentine relations over the years.

Argentina attaches great importance to this relationship, he said, adding that cooperation and exchanges in all fields should be increased between the two countries.

"We should establish a firm relationship based on economic and technological exchanges which will be efficient, mutually complimentary and extensive," he said.

"We, in Argentina, in fact the whole of Latin America, believe that China is a decisive factor in the world situation and important to creating a peaceful and just life."

He said foreign debt is no longer a purely economic problem. It has become an international problem of vital importance.

He said political problems should be settled through political means. The creditor countries and the debtor countries should find a reasonable and novel way to stop the south-to-north capital flow.

At the same time, he said, new methods, such as capitalization of the debt, should be adopted so the debtor countries can pay the debt with development instead of poverty.

He said Argentina and China share close views on disarmament. Both sides held that disarmament is the major way to world peace.

Alfonsin reiterated Argentina's determination to hold straightforward and unlimited negotiations with Britain on the disputes over the Malvinas Islands.

Attending tonight's banquet were Wang Hanbin, vice chairman of the Standing Committee of the National People's Congress, Qian Zhengying, vice chairman of the Chinese People's Political Consultative Conference and other high-ranking officials and officers accompanying President Alfonsin to China.

#### Speaks With Li Peng

OW1405144688 Beijing XINHUA Domestic Service in Chinese 0749 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA) — Chinese Premier Li Peng held 2-hour-long talks at the Great Hall of the People this morning with the visiting Argentine President Raul Alfonsin. U.S.-Soviet disarmament and other international issues as well as bilateral relations between China and Argentina were discussed.

The talks between the two leaders were said to be full and friendly, with agreement on a wide range of issues.

Li Peng said that some progress has been made in the U.S.-Soviet disarmament talks. This had relaxed the international situation to some extent but that the arms race was continuing.

Even if the United States and the Soviet Union agreed to reduce their strategic nuclear weapons by 50 percent, Li said, the world situation as a whole is still grim because they still possess more than 90 percent of the world's nuclear weapons, which would be enough to exterminate the world several times over.

What is more, they are developing sophisticated space weapons. Therefore, the whole world should continue to maintain vigilance, the Chinese leader added.

Alfonsin said that the arms control talks between the two big nuclear powers still fell short of what people were demanding. But, he said, negotiations were the correct approach.

Alfonsin then briefed Li Peng on the efforts made by the six-nation group for world disarmament and the eight-nation group for peace in Central America.

Li Peng, in response, expressed his appreciation of the efforts made by Argentina and the other members of the six-nation group.

Alfonsin said that Latin American countries are confronted with economic difficulties and the debt problem. They hope to settle worsening economic and trade conditions by collective action.

Li Peng said that the debt problem resulted from the irrational international economic order. He said that it is up to the creditor countries to settle the problem, for which they bear a greater responsibility.

"China has all along supported the reasonable demands by the debtor countries to the creditor states," he said.

Li Peng briefed Alfonsin on Sino-Soviet, Sino-U.S. and Sino-Japanese relations and China's stance on Kampuchea and Afghanistan.

On bilateral relations, the two leaders expressed the hope to further strengthen Sino-Argentine friendly relations, and exchanged views on expanding trade, economic cooperation and exchanges in other fields. They agreed that it is useful for the two countries to have political consultations and increase exchanges.

Li Peng thanked Argentina for helping China to set up a scientific survey station in the Antarctic.

Taking part in the talks on the Argentine side were Minister of Foreign and Religious Affairs Dante Caputo, Minister of Economic Affairs Juan Vital Sourrouille and Lieutenant General Ernesto Crespo, chief of staff of the Air Force.

Chinese Foreign Minister Qian Qichen and Minister of Aeronautics and Astronautics Industry Lin Zongtang also took part in the talks.

**Meets With Zhao Ziyang**  
OW1405152688 Beijing XINHUA in English  
1433 GMT 14 Apr 88

[Text] Beijing, May 14 (XINHUA)—Zhao Ziyang, general secretary of the Chinese Communist Party, today told the visiting Argentine president that China's current policies will be continued for a long time to come.

During his meeting with the Argentine president here this afternoon, Zhao said that as a result of its reforms and opening to the outside world, China has made progress in its urban construction and industrial and agricultural development, and improved the living standards of its people in the past ten years.

He maintained that the current Chinese policies, which have proved to be suited to China's conditions, can facilitate the country's economic development.

"Only by sticking to such policies can China become economically developed through efforts of the next few decades," he added.

He said that the 13th National Congress of the Chinese Communist Party last fall and the First Session of the Seventh National People's Congress this spring have ensured continued implementation of the current policies.

Alfonsin said that China's policies are identical with those pursued by Argentina for its development and the happiness of its people.

Zhao noted that China and Argentina share more common points than differences. He is pleased with the establishment of official links between the Chinese Communist Party and the Radical Civic Union, the ruling party of Argentina.

Both Zhao and Alfonsin expressed the wish to further contacts between the two parties to promote friendship between the two countries and peoples.

They agreed that Alfonsin's current visit to China will give an impetus to the development of Sino-Argentine friendship.

They also briefed each other on their countries' economic situation during the one-hour meeting.

**Urges Educational Exchanges**  
OW1405155188 Beijing XINHUA in English  
1354 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA)—Argentina and China should establish more exchanges between universities of both countries, Argentine President Raul Alfonsin said here today.

In a speech to students at Beijing University, Alfonsin said it is necessary for Argentina and Latin America to establish "good and constructive" relations with China.

"Exchanges between universities will be the most effective step towards this direction," Alfonsin said.

He noted modern times are characterized by reforms and said universities play an important role in effecting them.

"The task of modern universities is to 'process' intellectuals so they can be fitted for various kinds of posts before distribution," he said.

Alfonsin applauded China for the progress it has made, freeing its people from hardship and regaining its national dignity and hope for the future, all in one generation.

The country's pragmatism and ideology have permitted the country to adjust its policies to the technological revolution, he said.

"China is turning its economy into a prosperous one, and shows a bright future," he said.

Alfonsin also talked to the responsive audience about Argentina and Latin America as a whole.

Wang Xuezhen, director in charge of the administrative affairs of the university, said Beijing University is willing to establish relations with universities in Argentina.

**Opens Beijing Art Show**  
OW1605062388 Beijing XINHUA in English  
1207 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA) — Visiting Argentine President Raul Alfonsin cut the ribbon for the opening of an Argentine art works exhibition here this afternoon.

Chinese Minister of Culture Wang Meng, who was accompanying the Argentine President to the show, described the exhibition as an opportunity "for the Chinese people and artists to enjoy the Argentine visual art with its national characteristics and cultural tradition."

President Alfonsin said that the purpose for holding the show in Beijing is to promote bilateral understanding between the peoples of both countries.

Lin Zongtang, chairman of the Chinese Government Reception Committee and minister of aeronautics and astronautics industry, was attending at today's opening ceremony.

**Attends Beijing Party**  
OW1405213088 Beijing XINHUA in English  
1431 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA) — Visiting Argentine President Raul Alfonsin enjoyed Chinese folk songs and dances, Beijing opera and violin solo here tonight.

President Alfonsin presented a bouquet of flowers to the Performers for their success at the end of the soiree.

Lin Zongtang, chairman of the Chinese Government Reception Committee and minister of aeronautics and astronautics industry, was attending the soiree.

**Holds Discussion With Deng**  
OW1505094588 Beijing XINHUA Domestic Service in Chinese 0729 GMT 15 May 88

[Text] Beijing, May 15 (XINHUA) — Comrade Deng Xiaoping met with Argentine President Raul Alfonsin at the Great Hall of the People this morning. During the meeting, Deng Xiaoping said: China's policies over the past decade are correct. We should stick with the reform and open policy. We should not close, but open wider to the outside world.

"There are some risks," Deng went on, "and we may experience twists and turns and even make mistakes if we meet the challenge head-on. But we should do our best to avoid big mistake."

According to Deng, the Chinese Communist Party's 13th National Congress last year and this year's first session of the Seventh National People's Congress have guaranteed stability in the country's policies and leadership.

During the meeting which lasted more than a hour, Deng Xiaoping and Alfonsin also had an extensive exchange of views on international situation and bilateral relations.

In the world today, Deng said, a new trend of confrontation being replaced by discussion and the peaceful settlement of international disputes is growing, and these factors make hopes for long-term peace look favorable.

"Third World countries are the world's biggest force for peace," Deng said, adding this force grows along with Third World development.

"Things look good for the world to have a chance at peace for a fairly long time," Deng went on, "and both China and Argentina should make good use of this time to develop their respective national economies."

"Some people say the 21st century will be the century of the Pacific," Deng said, "but I think this statement has been made too early. We still have to work 50 years."

Deng praised Argentina and other Latin American countries for their more active role in international affairs and said he believes there will be a century for Latin America in the future.

In response, Alfonsin said, the existing situation has made Latin American countries realize only by uniting can they have greater influence on the international scene.

"Latin American countries, especially Argentina, are willing to cooperate more with China," he said, "to jointly realize world peace and justice."

"China and Argentina have close ties even though geographically we are far apart," Deng said, "and we have the same goals. There are no differences of opinions

between us, including over international issues. Since the establishment of their diplomatic ties more than a decade ago, the two countries have enjoyed very good relations and they should continue to develop such friendship and cooperation in the years to come."

Alfonsin described Sino-Argentine relations as "being good all the way," and mentioned then Chinese Premier Zhao Ziyang's visit to Argentina in 1985 as being an asset to these relations.

Because of the country's worldwide importance, China will become even more influential in the future, Alfonsin said.

Foreign Minister Qian Qichen and Minister of Aeronautics and Astronautics Industry Lin Zongtang, as well as principal members of President Alfonsin's entourage, were present at the meeting.

**Discusses Mutual Ties**  
*OW1505120488 Beijing XINHUA in English*  
*1149 GMT 15 May 88*

[Text] Beijing, May 15 (XINHUA) — Argentine President Raul Alfonsin's current visit to China has resulted in several cooperation agreements and measures to balance trade between Argentina and China.

Speaking at a press conference he gave today, Alfonsin said his visit is aimed at a basic political objective: To expand ties with China. China is of great importance not only for the world of today but also for the world of tomorrow, he said.

Argentina and China can cooperate in many fields, and expanding bilateral trade is very important for Argentina, he added.

Argentina will buy coal from China and the two sides are prepared to run joint ventures and sell products to other countries. All these measures will help strike a balance in the bilateral trade, he said.

In response to questions on foreign debts of Latin American countries, Alfonsin said this is not only an economic issue but also a socio-political issue. "It cannot be solved through conventional means. Rather, we should seek other ways," he said.

Alfonsin thanked China for its support to Argentina's demand for safeguarding sovereignty and position on reaching an agreement with Britain through negotiations.

The president's other activities of today include laying a wreath at the Monument to the People's Heroes, paying respects to the remains of Chairman Mao Zedong, and visiting the Palace Museum, the Great Wall and a Ming tomb.

**Concludes Visit**  
*OW1605065288 Beijing XINHUA in English*  
*0540 GMT 16 May 88*

[Text] Beijing, May 16 (XINHUA) — Argentine President Raul Alfonsin left here for home today, winding up his four-day state visit to China.

Bidding Alfonsin goodbye at the Diaoyutai State Guesthouse earlier this morning, Chinese President Yang Shangkun described his visit as "very successful."

Yang said that Alfonsin's discussions with Chinese leaders have deepened mutual understanding.

The discussions showed that Argentina and China have identical views on many issues in the world today, Alfonsin responded.

The two leaders also witnessed the signing of six documents on cooperation between the two countries — an agreement on aeronautics science research and application, an agreement on setting up consulates general in the two countries, an agreement on cooperation in the Antarctic, an agreement on animal quarantine and health cooperation, a cooperation agreement between the Chinese Academy of Agricultural Sciences and the Argentine National Institute of Agricultural and Livestock Technology and a tentative agreement on Argentina setting up a model farm in China.

**State Council Appoints State Functionaries**  
*OW1405121688 Beijing XINHUA Domestic Service  
in Chinese 1125 GMT 13 May 88*

[Text] Beijing, 13 May (XINHUA)—The State Council made the following appointments and removals of state functionaries on 13 May 1988.

**Appointments:**

**Liu Jibin**, director of the State Administration for Fixed Assets;

**Song Muwen**, concurrently director of the State Copyright Bureau;

**Yu Hongen**, president of the China National Corporation for Coal Mine Subject to Unified Distribution; **Zhang Baoming**, vice president of the corporation;

**Wang Tao**, president of the China National Petroleum and Natural Gas Corporation; **Zhou Yongkang** and **Li Tianxiang**, vice presidents of the corporation; and

**Jiang Xinxiang**, president of the China Nuclear Industry Corporation; **Chen Zhaobo**, **Zhao Hong**, **Li Dingfan**, and **Huang Qitao**, vice presidents of the corporation.

**Removals:**

**Zhang Wenshou**, deputy secretary general of the State Council;

**Bao Tong**, vice minister of the State Commission for Restructuring Economy;

**Yang Haibo** and **Liu Zhongde**, vice ministers of the State Education Commission;

**Tian Yinsong** and **Li Peng**, vice ministers of finance;

**Lu Xusheng**, vice minister of metallurgical industry;

**He Zhengzheng**, vice minister of textile industry; and

**Han Kehua**, director of the National Tourism Administration.

**Approves Information Technology Plan**  
*OW1605121288 Beijing XINHUA in English  
0757 GMT 16 May 88*

[Text] Beijing, May 16 (XINHUA)—Key policies for the development of China's information technology have been recently approved by the State Council, China's highest governing body.

Under the plan, information technology will be applied to helping improve efficiency in industry and service trades and make management and decision-making scientific.

In the development of information technology, China will give priority to microcomputers with Chinese character processing functions, digital process control and exchange, optical fibre communication and satellite communication technology and equipment.

To accelerate hi-tech development, the state will grant preferential terms to information-oriented enterprises and enterprise groups in taxation, loan borrowing and depreciation charges in a certain period.

The plan will call for the applying of the information technology such as microelectronic technique in renovating China's existing enterprises and developing new products. Information management systems will be developed and popularized in enterprises to get their management modernized, according to the plan.

**Stresses Tax Policy Enforcement**  
*OW1505234188 Beijing XINHUA in English  
1450 GMT 15 May 88*

[Text] Beijing, May 15 (XINHUA)—The general office of the State Council, China's central government, has called for all localities and departments to strictly enforce tax policies to ensure state revenue this year.

All localities and enterprises should strictly observe the unified tax policies and regulations issued by the state, and they are not permitted to make any tax regulations of their own, according to an urgent circular issued by the general office yesterday.

Product tax, tax on value added and business tax are the major means of macro-economic control and main sources for the state revenue, and all these taxes should not be contracted out to enterprises, the circular said.

Tax exemption and reduction should be put under strict control and done in accordance with the relevant state regulations, the circular stressed.

While the reform in government structure is being carried out in the country, the setup and management of tax organizations should be made according to the central government's overall planning, the circular said.

**Authorizes Biotechnology Policy**  
*OW1505043488 Beijing XINHUA Domestic Service  
in Chinese 0558 GMT 13 May 88*

[Excerpts] Beijing, 13 May (XINHUA)—The State Council has approved recently the key points of a policy for developing biotechnology in China.

The policy, formulated by the State Scientific and Technological Commission and other relevant departments, calls for efforts to develop China's biotechnology mainly for the purposes of establishing new industries and upgrading traditional industries before the end of this century. With a view to increasing overall economic

efficiency and social benefits, we should properly organize and arrange the work at various levels and in all sectors of basic and applied research, research and development, production of products, development of auxiliary technologies, and the manufacture of equipment. The research quality of China's biotechnology should be improved along with the development of industries so that biotechnology can make due contributions to invigorating China's economy and that foundations be laid for achieving a breakthrough in biotechnology development in the next century. [passage omitted]

The key points of the policy include the targets and appropriate policy measures for applying modern biotechnology to transform traditional industries, accelerating the pace of developing biotechnology, intensifying its basic research, and developing and improving the supporting basic facilities.

In order to stimulate advances in biotechnology, the policy calls for stepping up academic exchanges and technical cooperation with foreign countries and technology import. It is also necessary to enact laws governing biotechnology and strengthen the leadership and coordination over biotechnological research and development.

#### Transmits Material Structure Plan

OW1405170188 Beijing XINHUA Domestic Service  
in Chinese 0122 GMT 14 May 88

[Text] Beijing, 14 May (XINHUA) — The State Council recently approved and transmitted a "Program for Strengthening the Reform of Material Structure." According to the program, the reform of material structure will be focused on the following for the time being: to gradually terminate the material management functions of various departments under the State Council and merge all material supply and marketing organizations into the Ministry of Materials; to popularize in an all-around way the experience of Shijiazhuang City in developing the market of means of production while reducing the scope of mandatory planning; and to select a number of cities and organize them for a trial reform of their material structure in accordance with their local conditions.

China's reform of the material structure will be carried out for the purpose of developing a planned commodity economy, in keeping with the formula of a mechanism of "the state regulating the market, the market guiding the enterprises" and on the basis of facilitating the maintenance of macroeconomic balance of important materials. Efforts will be made to reduce systematically the scope of mandatory planning and expand the scope of planning by guidance, actively promote the production of materials that are in short supply, and gradually establish markets of means of production with leadership and organization to guarantee the needs of key projects of the state, enhance the viability of the enterprises and promote the development of planned commodity economy. However, since the reform of material

structure will involve a wide area and there will be many restrictive factors, it must be carried out in concert with the reforms of the planning, investment, pricing, and enterprise management structures. At present, the reform will be aimed mainly at the material management functions of the various State Council departments and the experiment with the markets of means of production in selected localities.

The program, proposed by the State Council's Leading Group for the Reform of Material Structure, contains detailed explanations concerning various subjects. These include the reform of the planned management of materials, the restructuring of the materials supply and marketing organizations, the development of means of production markets with leadership and organization, the invigoration of the materials production enterprises, and the expansion of the functions of the Ministry of Materials. It also offers suggestions regarding some specific problems, such as the materials marketing organizations of various industrial departments and the methods of material supply and marketing.

In a circular distributed with the program, the State Council noted that the reform of material structure constitutes a major content of the efforts to strengthen the reform of economic structure, and that it will prove to be of great significance in changing China's material structure, which consists mainly of the product distribution and transfer mechanism, and economic pattern that is characterized by barriers between higher and lower levels and between departments and in developing means of production markets with leadership and organization. The State Council called for active support and close cooperation by all departments and localities to push this reform forward with resolute but well-prepared efforts.

#### Prioritizes Soil Protection

OW1405072488 Beijing XINHUA in English  
1145 GMT 13 May 88

[Text] Beijing, May 13 (XINHUA) — The State Council has decided to give priority to water and soil conservation in areas on the upper reaches of the Yangtze River, XINHUA learned today.

The work will be carried out in areas totalling 1 million sq km in Tibet, Qinghai, Yunnan, Guizhou, Sichuan, Gansu, Shaanxi, and Hubei, according to a report from the National Coordination Group for Water and Soil Conservation.

The report has been approved by the State Council, China's highest governing body.

Water and soil erosion has gone from bad to worse in recent years, due to excess felling of trees, as well as poorly planned mining, road building, and other capital construction projects.

The report called attention to the fact that, in some counties, large tracts of farmland are being stripped of top soil and become rock-strewn waste.

**Part Two of Wang Ruoshui on Personality Cult**  
HK1305144088 Hong Kong CHING PAO in Chinese  
No 5, 10 May 88, pp 40-44

[Article by Wang Ruoshui (3769 5387 3055): "The Personality Cult and Ideological Alienation (Second and Last Part)"]

[Text] Personality Cult Is a Kind of Ideological Alienation [subhead]

"To deal with such a special historical phenomenon as personality cult we cannot simply imitate Feuerbach's method of explaining religion, and simply use the concept of alienation to explain personality cult. Instead, we must make a concrete analysis in light of the historical materialism method and in light of the objective social historical facts and revolutionary practice."

Hu Qiaomu opposed personality cult and religious belief "being mentioned in the same breath" because he denied that personality cult is also a kind of alienation, like religious belief.

Here, let me briefly introduce Feuerbach's theory. Feuerbach pointed out: The myths of theology lie in the fact that theology is just a study of man rather than God. The prototype of God is man. Mankind put its own nature outside itself and then created God. The wisdom, will, and love of God are all man's nature, but there is no limitation for such things in the illusion, so they become perfect things. Then, man cannot distinguish himself from the image of God, and the relationship between man and God is reversed. Man feels that he depends on God and God thus becomes an alien and an independent entity that overrides and dominates man. The more man affirms God, the more he negates himself; the more man gives up his initiative, the more initiative is given to God. Man loses his self and God is merely man's self which man has given up. That is alienation, the alienation of man's nature.

Marx said that "the foundation for a critique of religion is: It is man who creates religion and not religion that creates man. That is to say religion is just the self-consciousness and self-feelings of the people who have not realized the existence of themselves or who have ago a lost their self." (quoted from the "Introduction to Critique of Hegel's Legal Philosophy")

According to the Marxist point of view mankind acquired self-consciousness through the long evolution of Nature (quoted from the "Introduction of Nature Dialectics" by Engels). Self-consciousness appeared and changed on the basis of social practice, and also experienced a tortuous development process. The major contributions that Marx and Engels made to the working

class were their efforts to instruct the working class to acquire self-consciousness and self-recognition (quoted from the article "Friedrich Engels" by Lenin). The awakening of working class self-consciousness was explicitly expressed in the song "The Internationale": "There is no savior and no reliance should be put on God or Emperor. To create human happiness we must completely rely on ourselves."

However, to seek its emancipation the working class must still organize itself and needs its own political party and leader. The leader plays a role in collecting the demands of the working masses, exercises correct leadership, and wins the trust of the rank-and-file party members, the working masses, and the general public. Things were normal at the beginning. Along with the continuous successes in the revolution, the leader's authority increased and the masses trusted and believed more deeply in the leader. Once the belief of the masses in the leader became blind, personality cult appeared. In the past people did not first ask: "Is this conclusion in keeping with the reality?" Instead, the first question they used to ask was: "Who said this?" At the beginning, the authority was established by truth, but later, truth had to be guaranteed by the authority. The propaganda for a long time greatly amplified and consolidated this idea. As a result, as long as a false thing bore the stamp of the leader, people would deeply believe in its correctness. Therefore, the fact was not that personality cult appeared after Mao Zedong divorced himself from the reality and the masses as Hu Qiaomu said; instead, the fact was that the existence of personality cult enabled Mao Zedong to pursue his erroneous line which was divorced from the reality and the masses without resistance. Although he had been bogged down in the mire of mistakes the personality cult toward him still continued to escalate. The political movements purged group after group of people who did not blindly follow Mao's erroneous line. With the cooperation of powerful propaganda things eventually found their extreme expression in the "Cultural Revolution."

During the Cultural Revolution, it was advocated that people must "cherish unlimited belief in the leader." Unlimited belief was equal to unconditional belief or absolute belief, and such blind belief was no different from superstition. The leader became the embodiment of truth. Every one of his sentences represented a piece of truth, and his remarks became the sole criteria for judging truth and falsehood. People could not doubt about the correctness of the leader's instructions even when they did not understand them. They did not understand the leader's words only because their political consciousness was not high enough; but if they doubted the correctness of these instructions they would be perfidious. Therefore, no matter whether one understood the leader's instruction or not, one had to resolutely carry out this instruction without reservation. Such unlimited belief was accompanied by universal doubts. Because all trust was concentrated on one person, no one else was trustworthy any more. Aside from

the leader and a small number of people in his "proletarian headquarters," no one was trustworthy. People did not trust their colleagues, superiors, friends, teachers, parents, brothers, spouses, children, and even themselves. The more one distrusted other people and oneself, the more one believed in the leader. The leader always showed great foresight and could perceive everything, while all of us often committed one mistake after another. Thus it was very dangerous to use our minds to think independently, and such behavior would be reactionary. Any thought independent of the leader's thought was not allowed to exist. People could only follow the thoughts of the leader and repeat the same words uttered by the leader.

Another slogan was "unlimited love." One's whole soul must be fully occupied by the leader. What one thought of, day and night, was only the leader. If a person was asked what his hobby was he should answer that his only hobby was to read the books written by the leader. If a person was asked what his greatest happiness was he should answer that seeing the leader was his greatest happiness. For the sake of the leader, people should dare to climb the mountain of swords and jump into the sea of flames. Such unlimited love was also accompanied by profound hatred. First of all, people must deeply hate those who dared to oppose the leader, and treat these bad people in the most merciless way. The more cruelly and mercilessly one treated the "enemy," the better one proved one's loyalty to the leader. However, one should not merely "take revolutionary action" against other people, but should also carry out revolution in one's own mind. That is, there was an enemy—"selfishness"—in the depth of every person's soul. Any desire for pleasure and any consideration of one's personal interests gave expression to "selfishness." So people had to fight against even a fleeting "selfish" idea, and such self-struggle must continue every day, all the time. "Selfishness" could not be completely eliminated so the struggle must not stop before one's life came to an end.

One more slogan was "unlimited worship." In fact, only God could be the object of worship. So, when a person became the object of unlimited worship, this person was being deified. "The growth of all living things relies on the sun." Before the sun, all living things were nothing and insignificant. So "unlimited worship" was accompanied with unlimited belittling. The greater and wiser the leader was, the more paltry and naive the ordinary people would become. Lin Biao called on the whole nation to "obey Chairman Mao's instruction." This was similar to adults asking children to "obey" their parents. Before the leader, all people were just little children. Without the leader's instruction, they would not be able to walk. A famous Swiss psychologist Jean Piaget, said that children received something from their parents that transcended their minds and dominated their behavior. This was also the case in the situation where personality cult prevailed.

It was certain that Lin Biao, Jiang Qing, and some other careerists played a big role in fanning the crazy personality cult in our country. However, the millions of ordinary people did follow them. All Red Guard organizations denounced their rivals as violating the supreme instructions of the leader, and at the same time did their best to prove how high they themselves had held the banner of the great thought so as to prevent being attacked. The people were influenced by the frenzied atmosphere, and at the same time they also used their words and deeds to influence other people. That was indeed a movement to create a God. At the same time the movement also churned out a large number of "devils," "capitalist-roaders," "counterrevolutionary revisionists," "reactionary bourgeois academic authorities," "traitors," "spies," "members of the five black categories," and a large number of hooligans who employed violence against other people, criminal offenders, people with mania for power, rebel heroes without knowledge, and "primary school pupils who could perceive serious problems." In those years thousands and thousands of families were broken up; thousands and thousands of people were killed; and the human characters and moral qualities of innumerable people were twisted and distorted. Wounds remained in the minds of the people, their souls were shackled, and their intelligence was depressed or guided onto an evil path.

In the beginning the people abandoned their illusion of the savior and realized their own strength, thus gaining self-consciousness. The leader relied on the people and won their trust. Afterwards, things were reversed. The leader became the sun shining over all living things, and all living things had to depend on the sun to get heat and light for their growth. "The Internationale" denied the existence of the savior, but the song "The East Is Red" again eulogized the "great savior." When the leader did not act according to the will of the people and acted perversely at will, he was still described as the sole representative of the people's will, and the people still believed in him and did not believe in themselves. The leader represented the abstract interests of the people, while the people in reality abandoned their own interests to follow the will of the leader, and even thought that they could guarantee their own interest only by doing so. It was said that if the "Cultural Revolution" was not carried out the people would "suffer for the second time and return to their previous miserable lives." In fact it was precisely the "Cultural Revolution" that caused the people suffering and misery. In order to prevent an illusory disaster our nation created a real disaster for itself. The tragedy of the Cultural Revolution was that a nation willingly handed its destiny to one person who was in fact apathetic toward the nation's destiny.

This is why I say that personality cult is a kind of alienation. Criticizing this alienation under the conditions of socialism and giving publicity to socialist humanism will help further awaken the people's self-consciousness and increase their sense of being masters of their own destiny.

**The Social Causes of Personality Cult [subhead]**

Before Feuerbach, French materialists in the 18th century thoroughly exposed the falsehood of religion, but when talking about the causes of such falsehood, they merely mentioned people's ignorance. Feuerbach did a better job than his predecessors because he was not content with simple denunciations and tried to explain the reasons for the appearance of religion from mankind itself. When doing this he used the concept of alienation that was created by Hegel. Marx affirmed Feuerbach's orientation of using the concept of alienation to explain the reasons for the appearance of religion, and also pointed out his defects. Feuerbach proceeded from man's nature when explaining God, but he only studied and described abstract man. In reality, man lives in society. Human society in reality produced religion, a reverse outlook on the world, because human society itself was a reverse world. It is still necessary to use alienation in people's real lives to explain the alienation phenomenon of religion, and to advance from criticism of religion to reform of the reality.

Therefore the methodology of historical materialism does not exclude the concept of alienation; moreover, it includes the concept of alienation and places it on the foundation for materialism.

When analyzing the reasons for the appearance of personality cult Hu Qiaomu merely pointed out Mao Zedong's imprudence and other shortcomings, or attributed the problem to the party's understanding. These two aspects were simply confused by him. He emphasized that "it is necessary to explain according to the methodology of historical materialism" the phenomenon of personality cult, but he failed to mention the social and economic root causes of this phenomenon. He stressed that the party central leadership "has drawn a scientific conclusion" on the phenomenon of personality cult, but he himself retrogressed from this conclusion.

We can read the relevant conclusion in the resolution adopted by the CPC Central Committee in 1981:

"China is a country which experienced a very long period of feudalism. The long-standing feudalist autocratic thought was deep-seated and it is very hard to eliminate its influence in the political field. For various historical reasons we did not institutionalize inner-party democracy and codify democracy in our state, political, and social life into law. Even though laws were enacted they still lacked authoritativeness. This gave rise to a condition of excessively concentrating the party's power on a single person, and thus created individual autocracy and personality cult inside the party. Under this condition it was difficult for the party and the state to prevent or check the outbreak and development of the 'Cultural Revolution.'"

This is an analysis of historical materialism. It is surprising that as a cadre in charge of the drafting of this resolution even Hu Qiaomu himself repeatedly forgot the resolution's point of view.

The resolution did mention Mao Zedong's personal shortcomings and mistakes, such as: "Being conceited and arrogant," "being divorced from the reality and the masses," and "indulging in acting arbitrarily and subjectively." This was the same as what Hu Qiaomu said but the resolution did not say that this was the reason for the appearance of personality cult. What responsibility should Mao Zedong himself bear for the appearance of personality cult? The resolution did not answer this question.

However, we can find the party's answer to similar questions in other documents. In 1956, when Stalin's mistakes were criticized, the Political Bureau of the CPC Central Committee held an enlarged meeting to discuss this issue, and the RENMIN RIBAO Editorial Department published an article entitled "On the Historical Experience of the Proletarian Dictatorship" in light of the discussions at that meeting. The article criticized Stalin for "being arrogant and imprudent," "divorcing himself from the reality and the masses," and "acting arbitrarily in violation of the party's principle of democratic centralism." (This criticism was similar to the 1981 resolution's criticism of Mao Zedong). In addition, the article also criticized Stalin for "accepting and encouraging personality cult" and "falling more and more deeply in the mire of appreciating personality cult in his later years." In my view Stalin himself should bear responsibility for the existence of personality cult, and this point also applies to Mao Zedong. If from the very beginning Mao had resolutely rejected and denounced the practice of personality cult toward him, and if he had not cherished the idea of "needing some personality cult," then the careerists and conspirators, such as Lin Biao and Jiang Qing, would not have been able to stir up any trouble. The occurrence of the "Cultural Revolution" required many conditions and Mao himself contributed to the creation of part of these conditions, including the creation of personality cult.

The above-mentioned article also analyzed the economic basis and social roots of personality cult, and pointed out: "Personality cult is a decadent legacy left over from mankind's long history. Personality cult finds its basis in the exploiting class and it is also a by-product of the patriarchal system in small production." "After the establishment of the socialist system some decadent and poisonous vestiges of the old society ideology will remain in the minds of the people for a fairly long time. As Lenin said, 'the habits of millions of people are the most terrible force.' Personality cult is also a kind of habit among millions of people."

By comparing these propositions with the 1981 resolution we find that the former stressed the force of habit formed by small production, while the latter stressed the

evil legacy of feudal autocracy. In my opinion the two things were complementary to each other. Marx pointed out that independent individuals like Robinson are the products of the burgeoning period of capitalism. Before this social pattern appeared, relations between man and man were interdependent on the basis of natural blood relations, and on the basis of ruling and being ruled. (quoted from "1857-1858 Economics Manuscript") Marx also pointed out in his essay "The Coup d'Etat of Louis Bonaparte" that the living conditions of small farmers required that their representative be at the same time their ruler with high and supereminent authority over them, thus being able to endow them with rain and sunlight. The feudal system existed in our country for a very long time and the small-scale peasant economy was like a vast ocean. Thus the feudal ideology and small farmer mentality had deep-rooted influence. The democratic revolution led by the Communist Party took the countryside as the base, and most members of the revolutionary ranks were originally peasants. Although they had received Marxist education it was still hard to eliminate all the influence of the force of habit from their minds. The old ideology may revive in a new form. Even today many people still hope that an "upright magistrate" would "protect" the people. In these circumstances it was rather natural that personality cult could prevail.

Of course, the phenomenon of personality cult was also related to the negative influence from the international communist movement, but I will not discuss this in detail here.

#### Hope Is Placed in Reforms [subhead]

We have talked about Mao Zedong's personal responsibility for the appearance of personality cult and about its economic basis and historical roots. The people tended to accept personality cult spontaneously; Mao Zedong appreciated and encouraged it; and careerists Lin Biao and Jiang Qing advocated and made use of it. All these are undisputed facts. However, there is still a question: Why did personality cult develop to such a serious degree without encountering major resistance? Why could not the people of insight inside and outside the party obstruct its development? Why did some outstanding people of the Chinese nation like Zhang Zhixin have to sacrifice their lives in order to criticize Mao Zedong's mistakes? An individual could override the legal system and the individual authority could overpower everything. Such events occurred first in the Soviet Union and then in China, but they would not occur in such countries as Britain, France, and the United States. Why?

Aside from the historical, cultural, and social factors, the reasons for this also lie in the political system. As the 1981 resolution pointed out, the problem was the lack of democracy and a perfect legal system. Deng Xiaoping also said in 1980 in his speech "Reform of the Party and State Leadership System": "It is true that the errors we made in the past were partly attributable to the way of

thinking and style of work of some leaders. But they were even more attributable to the problems in our organizational and workings systems. If these systems are sound they can place restraints on the actions of bad people; if they are unsound they may hamper the efforts of good people or indeed, in certain cases, may push them in the wrong direction. Even so great a man as Comrade Mao Zedong was influenced to a serious degree by certain unsound systems and institutions, which resulted in grave misfortunes for the party, the state, and himself. If even now we still do not improve the way our socialist system functions, people will ask why it cannot solve some problems which the capitalist system can. Such comparisons may be one-sided but we must not merely dismiss them on that account."

It is not enough to merely criticize personality cult and we still have to solve the problems in our systems. Recently, Zhao Ziyang said in his report to the 13th party congress: "Our current political structure, which took shape during the revolutionary war years, was basically established in the period of socialist transformation. It developed in large-scale mass movements and in the process of constantly intensified mandatory planning." Such a political structure cannot prevent personality cult; moreover, it can easily engender bureaucratism, autocratic work style, privileges, infringements on the rights of rank-and-file party members and ordinary people, and other negative phenomena. (I regard all such things as demonstrations of alienation). The 13th party congress concluded that it is imperative to carry out political structural reform and I completely support this. Systems can change people, and should also be changed by people. Hopes are placed in the reforms and only reforms can win the people's trust, prevent repetition of the previous disasters, and restore the vigor of the state.

Personality cult is a complicated phenomenon which needs deeper discussions and comprehensive studies. I have only made an initial try in using the concept of alienation to explain the phenomenon of personality cult, and have not yet made penetrating and full exposition of this issue. However, Hu Qiaomu said: "The attempt to use the concept of 'ideological alienation' to explain the phenomenon of personality cult would only present a simple cartoon-like picture, and could not explain the reasons for the events. Still less could it explain why the party so smoothly set aright its guideline." I admit that my analysis is still rather simple but it is not simpler than the explanation presented by Hu Qiaomu. It is the readers who can judge whether the explanation is pertinent. My purpose is not to explain the fact that the party has smoothly set aright its guideline but to promote the ongoing reforms.

**KMT Committee Elects Beijing Leaders**  
OW1405182388 Beijing XINHUA Domestic Service  
in Chinese 0132 GMT 14 May 88

[By reporter Ding Wei]

[Text] Beijing, 14 May (XINHUA) — The Seventh Beijing Municipal Congress of the Chinese Kuomintang Revolutionary Committee closed yesterday. At the first

session of the Ninth Beijing Municipal Committee of the Chinese Kuomintang Revolutionary Committee held immediately after the congress, Tan Yizhi [6009 8381 0037] was reelected chairman and He Luli [0149 7627 7787], Zhang Lianyun [1728 1670 0061], Wang Xijue [3769 6932 3635], Li Peiyu [2621 3099 6877], Gan Peigen [3927 1014 2704], and Jiang Jianguo [5592 1696 0948] were elected vice chairmen of the Beijing Municipal Committee of the Chinese Kuomintang Revolutionary Committee.

**Deng Marks Theoretical Debate Anniversary**  
*OWI405151188 Beijing XINHUA in English*  
*0627 GMT 14 May 88*

[Text] Beijing, May 14 (XINHUA) — Today's "GUANGMING DAILY" published an inscription by China's top leader Deng Xiaoping with the words "Social Practice is the Sole Criterion of Judging Truth". This was written to commemorate an article with the same title written exactly 10 years ago.

That article launched a nationwide discussion on the principle of "Seeking Truth From Facts". The paper said that by reprinting the title this principle would continue to be implemented.

The publishing house of the "GUANGMING DAILY" will also publish a book with articles including those published 10 years ago to mark the 10th anniversary of the theoretical debate.

Before the debate, some people held the view that what revolutionary leaders said was always true.

**Li Peng Visits Xian Produce Trading Markets**  
*OWI605122488 Beijing XINHUA Domestic Service*  
*in Chinese 0157 GMT 15 May 88*

[Text] Beijing, 15 May, (XINHUA) — Feature: The Premier Visits the Markets (by XINHUA Reporter Wang Huangyan)

On 11 May as the sun was shining again after the rain, the ancient capital of Xian was filled with the air of spring.

At 0900, Li Peng, premier of the State Council, who had made a special trip to Xian to attend a national meeting on exchanging experience in reforming the vegetable supply system with 10 city mayors, arrived at Xian's Xiaozhai Farm Produce Trading Market in a minibus. No sooner had he gotten off the bus than he was recognized and surrounded by people.

As he walked on and browsed in the market, the premier stopped in front of a stand where some soybean delicacies were on display. "Where are these soybean products from?" the premier asked amiably. The saleswoman, who was a bit timid at first, replied with ease when she saw the premier's beaming face: "They were made by the

Xian Soybean Products Factory." After he was told that the stand was that of a state-run store, the premier inquired into the prices of various soybean products, and then said goodbye to the saleswoman.

It was precisely on the day before that the premier, during a briefing with the 10 city mayors, pointed out that it was really not an easy task for the employees of state-run stores to work in a farm produce trading market where they had to provide better service and compete with other traders on an equal footing. He instructed the mayors to give additional spiritual and material rewards for the employees working in farm produce trading markets.

At a pickled vegetables stand, the premier observed with great interest the variety of pickles and asked the trader about her native place. After learning that she was from Jilin Province, the premier sighed and said: "You came all the way from the northeast!" "To do business," she said, drawing laughter from all those present.

As he walked on to the vegetable stands and saw colorful and exuberant vegetables — red radishes, fresh and tender Chinese toon, and snow-white lotus roots, the premier asked about their prices and places of origin.

Zhang Boxing, secretary of the Shaanxi Provincial Party Committee, Hou Zongbin, governor of Shaanxi, and Yuan Zhengzhong, mayor of Xian, who were accompanying the premier on the tour of the market, told him that these vegetables were grown in the fields in the vicinity of Xian, and that the vegetables came in late on the market this year because of the weather. They also told the premier that the south bank of Wei He on the northern outskirts of Xian abounds in lotus roots. Most of the lotus roots sold on the market were from there. The premier was very pleased with their briefings.

After the Xiaozhai Farm Produce Trading Market, Premier Li Peng arrived at the Tanshijie Farm Produce Trading Market in downtown Xian. As soon as he entered the richly ornamented South Gate, the news that "the premier is visiting our market" got around fast.

The premier browsed at the cured beef and mutton and roast chicken stands on the west side and toward the north, and stopped in front of a stand. He asked the trader about the daily rent for the stand.

"Five yuan a day," said the trader.

"How much do you net a day?"

"I can make over 20 yuan," replied the trader without hesitation.

After the stand, Premier Li examined farm and subsidiary produce stands. He asked a peasant with a basketful of quail eggs in front of him: "Can you make 20 yuan a

day?" "No problem," said the peasant. Then, Comrade Li Peng asked again with a smile: "How about over 30 yuan a day?" The peasant smiled, but said nothing.

During the visit to these two markets, Comrade Li Peng also inquired into the prices, places of origin, supply, and sales of pork, fish, chickens, and other nonstaple foods.

Although Premier Li Peng stayed only for less than a hour at the markets, his brief conversation with the traders, which shows his kind attention to the problem of nonstaple foods for urban residents, has lingered on in the hearts of the people of the ancient city.

**Hu Qili, Others Attend Tibetan Performance**  
*OW1505053788 Beijing XINHUA in English*  
*0117 GMT 15 May 88*

[Text] Beijing, May 15 (XINHUA)—A newly organized song and dance troupe of Tibetan nationality gave a performance here Saturday evening.

The troupe, set up early this year, is now making a performing tour of other provinces, municipalities, and autonomous regions of the country.

The Tibetan nationality song and dance troupe is composed of 30 performers of Tibetan nationality mainly coming from the Tibet Autonomous Region as well as from areas in Qinghai, Sichuan, and Gansu Provinces inhabited by Tibetans.

The troupe will go and perform in Hong Kong, the United States, and the German Democratic Republic at the end of the performing tour of China.

Hu Qili, member of the Political Bureau Standing Committee of the Chinese Communist Party Central Committee, and other party and state leaders attended yesterday's performance.

**Li Tieying at Beijing University Anniversary**  
*OW1205132588 Beijing XINHUA Domestic Service*  
*in Chinese 0708 GMT 5 May 88*

[By Reporters Zhang Baorui and Zheng Baowei]

[Text] Beijing, 4 May (XINHUA)—Over 40,000 people gathered today at Beijing University, on the shores of Weiming Lake where peach and plum trees were in full blossom, to celebrate the 90th anniversary of this famous institution of higher learning.

Hu Qili, Li Tieying, Chen Xitong, Huang Hua, Fei Xiaotong, Lei Jieqiong, Wang Hanbin, Zhou Peiyuan, and other leaders attended the celebrations at the Great Auditorium of Beijing University today.

Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and minister of the State Education Commission, had been asked by Premier Li Peng to attend the meeting on his behalf. Li Tieying said: First, allow me to extend my warm greetings on behalf of the State Council and the State Education Commission on the occasion of the 90th anniversary of Beijing University and on the achievements and progress made by Beijing University over the past 90 years.

Li Tieying called on Beijing University to play a still more active role in the reform of higher education; to further emancipate its thinking; to be courageous in practice; to put reform above everything else; to continue to make new achievements and provide new experiences; to foster large numbers of professionals who are reform-minded, seek truth from facts, and are capable of independent thinking and bold in creative spirit; and to achieve still greater results in scientific research and in opening new courses.

Filled with profound sentiments, Ding Shisun, president of Beijing University, briefed the guests on the school's 90-year history. Beijing University's predecessor was the Jinghai University established in 1898. Since the founding of the People's Republic, Beijing University has trained 52,700 graduates and 3,900 post-graduates for the state. Many have become outstanding politicians, scientists, educators, and experts in other fields. Ten years of expansion and reform transformed it from a two-college liberal arts and science school into a modern, comprehensive university which houses natural science, technology, humanities, sociology, management, education, and many other departments under its roof. Currently, it has 29 departments, 31 research institutes, and 18 research centers. It has 3,000 teachers and scientific researchers, including 1,100 professors and associate professors, and 20,709 students.

To greet Beijing University's 90th anniversary, Comrade Peng Zhen wrote this inscription: "Inherit and carry forward the fine revolutionary traditions of Beijing University; stand in the van of the historical tide; push the wheels of history forward. Greetings to the 90th Anniversary of Beijing University." At the celebration meeting, Lin Jiaqiao, noted American scientist and guest professor of Beijing University, proposed setting up a Zhou Peiyuan scholarship and donated \$10,000 to the fund himself. The Beijing University Alumni Association of the University of Southern California of the United States also cabled its greetings and decided that each year it will give 500 yuan each to five Beijing University students who score the highest academic achievements.

Several days ago, teachers and students of Beijing University held academic forums, exhibitions, get-togethers, and other activities to mark the school's 50th anniversary.

**Soldiers Urged Not To Conduct Outside Business**  
**HK1605134888 Beijing JIEFANGJUN BAO**  
**in Chinese 25 Apr 88 p 1**

[Commentator's Article: "Soldiers on Active Duty Should Not Participate in the Businesses of Their Relatives and Friends"]

[Text] The phenomenon of some cadres and soldiers participating in the businesses of their relatives and friends has recently emerged in certain grass-roots units. Some of them have helped their relatives and friends to market special native products where their units are stationed; others have helped their relatives and friends purchase raw materials in short supply; still others have helped their relatives and friends establish marketing spots where their units are stationed. Such phenomenon of soldiers on active duty participating in the businesses of their relatives and friends is unfavorable to army building; and therefore, should be strictly banned.

First and foremost, a general principle should never be forgotten. The "Military Service Law" stipulates: "Servicemen on active duty must observe the ordinances and regulations of the Army, be loyal to their duties, and be ready at all times to fight in defense of the motherland." This means safeguarding the motherland is the sacred duty as well as the elementary task of servicemen. China's four modernizations ask for a long-term peaceful environment, which is inseparable from a powerful Army, which is ready at all time to fight in any aggressive war. This principle is self-explanatory. Therefore, a serviceman must always be at his fighting post, work hard to study military affairs, politics, and practice hard the skill to eliminate the enemy. To make up for insufficient expenditures and to improve the livelihood of the commanders and soldiers, it is also necessary for our Army to conduct some production operation activities. However, this should be carried out with leadership in an organized way. Obviously, it is quite a different kettle of fish from individuals participating in businesses of relatives and friends.

Servicemen on active duty participating in businesses of relatives and friends could lead to great harm. Certain undesirable phenomena have already taken place in some grass-roots units: Some people have often asked for leave under false pretexts to find out about market quotations or to market their goods, have taken advantage of some noncombatant duty to do their own businesses, and at times have gone beyond the time limit and failed to report to camp on time. Others have taken advantage of their home visit to get hold of some commodities, which they stored inside the camp, or have allowed their relatives and friends to stay in camp on a temporary basis to conduct their businesses. Still others have focused their attention on making money, and while participating in the businesses of their relatives and friends; they have failed to keep their minds on their active duty. What is more, these things have affected other people. Please think, if such phenomena are

allowed to develop, what will become of our Army's discipline, style, and order of life? Can such an Army be worthy of its name? Can there be any combat effectiveness to speak of? The central task for the whole party and people throughout the nation in the new historical stage is economic construction. People are working hard to develop production, to re-energize the economy, and to realize the four modernizations for the prosperity of the people and the nation. The entire society is full of vigor and vitality. Under such circumstances, every one of our cadres and soldiers should firmly establish the concept of subjecting himself to the general situation of economic construction, stand guard on his post, undergo strict training, strengthen his sense of discipline, and maintain the spirit of arduous struggle in defense of the motherland and the four modernizations. This is our unshirkable duty as well as a great honor.

A great number of new conditions and new problems have cropped up at a time of great change in our country as well as our Army. Regarding the Army, the sole criterion to test whether something should be done is whether it is favorable to improving the Army's combat effectiveness. We should actively support whatever undertaking that helps improve our combat effectiveness, and refrain from, and resolutely correct those undertakings otherwise. Obviously, a small number of cadres and soldiers participating businesses of relatives and friends fall into the latter category, which should be banned with explicit orders. Of course, while banning such activities, it is necessary to pay attention to our work style and method, and to clarify the matter with patience, so that every comrade may see the difference between the Army and localities. While some undertakings are allowed among civilians, they should not be allowed among servicemen. Through education, it is necessary to help our cadres and soldiers have a better understanding of the nature and tasks of the Army, deepen their understanding of the value of contemporary soldiers, improve their own qualities, and be more conscientious in working hard to strengthen army building.

**Regularization in People's Armed Forces Urged**  
**HK1605092588 Beijing JIEFANGJUN BAO**  
**in Chinese 30 Apr 88 p 2**

[Article by Dong Xuelin (5516 1331 2651): "An Unshirkable Duty of Military Organs"]

[Text] Following the transfer of the People's Armed Forces departments, it is now even more important to attach importance to and strengthen the regularization of People's Armed Forces departments in counties (cities). The provincial military districts and military sub-districts should grasp this key link and promote the building of the defense reserve forces as a whole through this.

What is meant by the building the regularization of the county (city) People's Armed Forces departments? The main points are to base ourselves on army rules and regulations, to closely focus on strengthening the reserve

forces, to proceed from the features of the People's Armed Forces departments and the reality of the militia and reserve service work, and to establish regular strategy, training, work, and order of life.

Following the transfer of the county (city) People's Armed Forces departments, the general situation is fine but there are also some phenomena meriting attention: The Army's tradition and strict discipline and style have gradually been lost and have been replaced by lax discipline, sloppy style, and a loose system. It is precisely under such circumstances that strengthening the building of the regularization of the People's Armed Forces departments has been placed in a more important position. We should be soberly aware that strengthening the building of the regularization of the People's Armed Forces departments is aimed at strengthening the managerial standard of the People's Armed Forces departments and improving their work efficiency. This comes under the category of a basic engineering project. In the building of defense reserve forces, the county (city) People's Armed Forces departments serve as an intermediate link and play the role of forming a connecting link between the previous forces and those following. The higher military departments' leadership, unified management, and centralized command of the reserve forces are always achieved through the People's Armed Forces departments. The success or failure of the building of the regularization of the People's Armed Forces departments is of decisive importance to the implementation at the grass-roots levels of the instructions and intentions of the higher military departments. Therefore, the building of the regularization of the People's Armed Forces departments serves as a guarantee to doing a good job of militia and reserve service work. It is an objective requirement for building high-quality reserve forces with Chinese characteristics. The higher military departments must have a sense of responsibility and urgency toward doing a good job of the building of regularizing the People's Armed Forces departments.

A central link in making a success of this work is that the county (city) People's Armed Forces departments should still implement the rules and regulations of the Armed Forces according to military units. There should be no doubt or wavering about this. Naturally, because the conditions in the localities are different from those in the Army, the higher military departments should also proceed from reality in the concrete practice of grasping the regularization of the People's Armed Forces departments. In the course of implementing army rules and regulations, the People's Armed Forces departments should be also be allowed to take as reference the relevant regulations of the local authorities, to absorb some of their good practices, to proceed from the specific conditions in military and local work, to stress their advantages to the building of reserve forces and their subordination and service to economic construction, to constantly replenish the demands and contents to the regularization, and to better demonstrate their dual military and local features.

In grasping the building of the regularization of the county (city) People's Armed Forces departments, attention should be paid to overcoming two tendencies: The first is to "let go one's hold," to let things drift, and to be indifferent toward or take little interest in the building of the regularization of the People's Armed Forces departments, namely, to take a *laissez-faire* attitude. The second is to have numerous misgivings and to be over-cautious. They are afraid that if they grasp the work of regularization as they did in the past and carry it out intensively, it will damage relations between the Army and the people. Both circumstances exist in military sub-districts and provincial military districts. They have imperceptibly affected the enthusiasm of some comrades in the higher military departments to make a success of regularization. Strengthening the regularization of the people's Armed Forces department is a long-term task. There is a lot of work to be done. Therefore, so long as the higher military departments constantly pay attention to finding out and summing up experience in the course of practice, give correct guidance and make strict inspection and supervision in good time, and persist in grasping regularization through realistic work, they will certainly be able to attain efficiency, so that the regularization of the People's Armed Forces department can be raised to a new level.

**PLA Reduces Military Restricted Areas**  
**HK1605095888 Beijing JIEFANGJUN BAO**  
**in Chinese 30 Apr 88 p 1**

[Report by Zhang Dongwen (1728 2639 2429) and Wang Jian (3769 0313) from Beijing on 29 April: "Our Army To Readjust and Reduce the Size of Military Restricted Areas"]

[Text] The signboards of "military restricted zone" were removed one after another, and more and more military restricted areas were changed into new tourist and scenic spots and were opened to domestic and foreign tourists. The size of military restricted areas throughout the country are being reduced, and this will benefit the economic construction and the development of tourism in our country.

Today, when revealing this, the department concerned of the PLA General Staff Headquarters pointed out: The whole Army is seriously implementing the opening up policy of the State Council and the Central Military Commission. In order to meet the needs of the foreign investors who build and run factories in China and the needs in the development of the tourism resources, the General Staff Headquarters, various branches of the military forces, and various military regions are doing their best to coordinate the opening up and the protection of military facilities. They open the areas as much as possible for civilian use.

In recent years, the Army has adjusted the military restricted zones with major defense facilities, and has gradually moved and rebuilt the military facilities in the open areas. The areas with ordinary military facilities have been opened as much as possible.

At present, the Army will change 62 military airports into airports for both military and civilian purposes, and will also open 15 military piers to civilian vessels. According to the department concerned of the General Staff headquarters, the work of defining military restricted zones, military management zones, and close areas with major military facilities will be completed next year. The "Law on Protection of Military Facilities" drafted by the General Staff headquarters will be submitted to the NPC Standing Committee for deliberation and promulgation within this year.

**Meeting on Demobilized Military Cadres Held**  
**HK1605010288 Beijing RENMIN RIBAO**  
**in Chinese 11 May 88 p 4**

[Article by Zhang Xiangxian [1728 0742 6343] and Yu Baoyue [0151 0202 2588]: "Meeting on Recommending and Transferring Demobilized Military Cadres Held in Beijing"]

[Text] On the morning of 10 May, the atmosphere in the PLA Beijing garrison hall was very warm, and the 1988 meeting on recommending and transferring demobilized military cadres was held by the office for placement of demobilized army officers of the State Council. On the basis of the principles of openness and equality, recommending talented and capable people, and selecting people according to requirements, there were mutual and direct consultations and negotiations in which various recruiting units, departments under the Central Committee, central state departments, and the group responsible for transferring demobilized military cadres of the units of the PLA General Staff Headquarters, the PLA General Political Department, the PLA Logistics Department, various major military regions, and so on participated.

In this meeting on recommending and transferring demobilized military cadres, which was organized by the office for placement of demobilized army officers of the State Council, military cadres of various units of the Army who meet the requirements of being transferred to and settled in Beijing were directly recommended to various units that have to recruit personnel by the group responsible for transferring demobilized military cadres of various PLA units. At the same time, the situation of various demobilized military cadres and information related to them were provided by the group. Units that have to recruit personnel can directly contact the groups responsible for transferring demobilized military cadres of the Army for the files of demobilized military cadres, and they can also request to interview demobilized cadres. Demobilized military cadres selected in this meeting will be included in this year's program of taking over demobilized military cadres by departments under the Central Committee and central state departments. During the first day of the meeting, this writer saw at the recommendation and transferring corner of the hall that personnel from various units that have to recruit people were crowding in front of the tables of the groups

responsible for transferring demobilized military cadres from 15 major army units. Demobilized cadres engaged in foreign languages, economic management, medicine, computers, political work, and so on are much sought after. Only one person, Wang Dexiang, an officer in the State Pharmaceutical Administration, has recruited three demobilized military cadres who were specialists in medicine from the group responsible for transferring demobilized cadres of the PLA General Logistics Department.

In view of the situation of the first day of the meeting, not many successful transfers of demobilized military cadres were concluded between the group responsible for transferring demobilized military cadres on one hand and the units that have to recruit personnel on the other, and only about 10 percent of the total number of demobilized military cadres were recruited. Except for some popular professions, the demand for demobilized military cadres engaged in sports, literature and art, the military, logistics, and so on is not very high. Besides, units that have to recruit personnel are not very interested in demobilized cadres who are over 45 years old.

As revealed by those in charge of the office for placement of demobilized army officers of the State Council, many units that have to recruit personnel are still holding back to wait and see and want to understand more first. It is expected that the high tide will come during the next 2 days.

**Naval Units Complete South China Sea Training**  
**HK1505054688 Hong Kong WEN WEI PO**  
**in Chinese 15 May 88 p 1**

[Report: "Chinese Naval Units Conduct More Than 50 Days of Training in South China Sea, Fulfilling Day and Night Navigation and Salvage Tasks"]

[Text] With colored banners fluttering in the wind and a deafening sound of drums and gongs at a naval base in Guangzhou on 12 May, more than 100 officers and men lined up to welcome the triumphant return of PLA naval units after fulfilling their training in the South China Sea.

The units set forth from a certain military port in mid-March and conducted training in the South China Sea for more than 50 days, on a voyage that totaled 2,000 nautical miles. The officers and men of the units fulfilled training tasks covering more than 10 subjects, including day and night navigation, salvage, and air defense, and scored outstanding achievements.

**PLA Increases Level of Motorization**  
**OW1405194588 Beijing XINHUA Domestic Service**  
**in Chinese 0136 GMT 12 May 88**

[By reporter Zhang Haiping]

[Text] Beijing, 12 May (XINHUA)—The PLA is gradually raising its level of motorization. Motor transport units composed of technical troops now account for about one-tenth of the total strength of the whole Army and have become an important force in our Army's organization structure.

Zhu Miaoquan, director of the Transportation Department under the PLA General Logistics Department, recently told this reporter that our Army's motor transport units have hundreds of thousands of trucks, and as many truck service personnel, who are playing a decisive role in the modernization and regularization of our Army. At present, every group Army has its own motorized transport unit, and a motorized infantry corps has been established with trucks as its major means of transportation. This has improved the Army's overall quality and increased its speed and mobility.

The official said: In recent years, the motor transport units have been strengthened through internal buildup and have initially formed a modernized system for training professionals in automobiles, equipment supply, management, repair, building of trucks, and scientific research.

Statistics show that the motor transport units have trained millions of truck drivers for the local authorities. After fulfilling their tasks in truck repair, dozens of truck repair plants have actively engaged in truck maintenance and manufacture. They are now capable of producing some 10,000 light trucks each year.

**Bank of China Joins London Bullion Group**  
HK1605044188 Hong Kong **SOUTH CHINA MORNING POST (BUSINESS POST)** in English  
16 May 88 p 3

[From Neil Behrmann in London]

[Text] The Bank of China has become a member of the London Bullion Market Association, the most important gold and silver centre in the world.

The membership of the bank follows a decision by the London gold market, an historic international bullion centre dating back several hundred years, to open its doors to outsiders.

The Bank of China, the commercial arm of the People's Bank of China, carries out foreign exchange, bullion and other commercial transactions for the central bank. It has a trading room in Beijing and in London.

With its associate bank, Po Sang in Hong Kong, it is an active dealer in the gold and silver markets.

The newly formed London Bullion Market Association includes 13 market makers and 48 "ordinary members" in a market that is estimated to trade about 40 percent of international physical gold business. The Bank of China is an ordinary member. [passage omitted]

"Traders from Japan and elsewhere, refiners, the Bank of China and even the Royal Mint, are members of the Association," said Neil Newitt, a committee member and director of J. Aron and Co, a division of Goldman Sachs.

The Bank of China was welcomed, said Mr Guy of N.M. Rothschild. He said China was estimated to produce around 70 to 80 tons of gold a year and production could rise to 100 tons in 1990.

**Foreign Banks Allowed To Do Renminbi Business**  
OW1605140688 Beijing **XINHUA** in English  
0930 GMT 16 May 88

[Text] Beijing, May 16 (XINHUA) — Foreign banks operating in China will be allowed to offer services in the Chinese currency — renminbi — on a limited basis, according to a recent decision of the People's Bank of China.

China first allowed foreign banks to set up branches in the country in 1985. To date, 28 foreign banks and Sino-foreign joint-investment banks have opened for business, most of them in the special economic zones. Statistics show that about 60 percent of them have begun earning profits, a People's Bank official said.

However, these banks used to face serious limitations in the expansion of business owing to the constraint of having to deal solely in foreign currency. Their clients also felt inconvenienced since they had to turn to other Chinese banks if they wanted renminbi.

"The decision to allow foreign banks to deal in renminbi is in line with their interests as well as China's need for more foreign funds," the official said.

However, since China still lacks the experience to properly regulate foreign banks and since the existing financial structure still has much room for improvement, one or two banks will be granted permission for the limited use of renminbi on a trial basis at first, with gradual expansion thereafter.

The banks will be restricted to offering renminbi services to Sino-foreign joint ventures and cooperative ventures and foreign-owned businesses. Any renminbi loans will be limited to those needed for projects already utilizing foreign currency loans, while deposits will be limited to the unused portions of renminbi loans previously obtained.

The foreign banks can also join inter-bank activities with renminbi coming from the the above sources.

**Official Says Foreign Exchange Rules To Stay**  
HK1605043788 Hong Kong **SOUTH CHINA MORNING POST (BUSINESS POST)** in English  
16 May 88 pp 1, 3

[By Cheung Lai-kuen]

[Text] A financial adviser to the Chinese Government has said Beijing is unlikely to relax its foreign exchange controls over the next year.

Xie Ming, adviser to the Ministry of Finance and chairman of the Accounting Society of China, said China's foreign exchange reserves had increased by more than U.S.\$1 billion last year when compared with the previous year.

He said the figure for the first quarter of this year also showed an improvement over the same period last year.

Mr Xie said the Chinese Government was continuing its review of import controls based on three criteria: the domestic export performance, the rate of imports and whether or not the product could be produced on the mainland.

He said the Chinese Government was very active in negotiating with foreign businessmen over moving production to China in order to reduce imports.

Mr Xie said China preferred to produce products domestically or to import the production technology from foreign countries rather than import finished goods.

He said the importation of steel was an example. Most steel factories in the mainland are ventures funded by foreign capital and last year helped China reduce imports by some ten million tons.

This year's import control policy will be similar to that of the last two years and automobiles will be on the restricted import category in 1988.

Mr Xie said there had already been three automobile joint ventures in China and an easy supply of automobiles now existed. The three joint ventures are Liberation, East Wind and Heavy-Load. In addition, other factories produce parts and components.

Mr Xie said China would retain the use of foreign exchange certificates (FEC) for at least another two years while the Government explored the use of an alternative.

Beijing had planned to cancel the use of FECs about two years ago, but has since decided to retain them.

Mr Xie admitted that the use of FECs had caused exchange problems and FECs and RMB [renminbi] were being traded on the black market. He said the use of FECs would have to be stopped at some time in the future, but that it was impossible to give a timetable at this point.

He noted that the Chinese Government was considering the use of credit cards to replace the FEC, but the Great Wall credit cards—the credit card issued by China—is still only a pilot scheme.

Mr Xie said new systems of fixed quotas for revenues and expenditures had been widely implemented in the open economic cities to encourage the province's or region's economic development. Under the new system a city or province can retain revenue acquired that is in excess of the fixed quota.

Mr Xie said altering the system of fixed quotas for revenues and expenditures may adversely affect the national revenues in short term as it may lessen revenues to the Government.

But the new system would benefit the Government in the long run as it would encourage regional economic development and reduce the loading of the finance department due to the abolition of subsidies.

Addressing a seminar jointly organised by the Accounting Society of China and the Hong Kong Society of Accountants, Mr Xie said China had approved more than 10,000 enterprises involving foreign investment by the end of last year.

The contracted investment for foreign-funded firms reached U.S.\$22.8 billion, of which U.S.\$8.5 billion had already been used.

He noted that more than 80 percent of the 4,300 enterprises which have been initiated had experienced good performance.

Although direct foreign investment accounted for a very small proportion of China's economy, it had played an important role in promoting technological progress and improving management and marketing, he said.

In order to further the economic initiatives confirmed by the 13th National People's Congress, Mr Xie said the number of open economic cities and counties on coastal China had been doubled to 288.

China had also adopted more flexible policies in using foreign funds and technology. For instance, China encouraged foreign businessmen to invest in existing enterprises for technological transfer which needed less investment but yielded quicker and more profitable returns.

To further improve the investment climate, Mr Xie said China would alter legislation on foreign economic affairs, reduce taxes, encourage direct management by foreign businessmen and reform the foreign trade system.

**Official Speaks on Foreign Accounting System**  
HK1605043988 Hong Kong **SOUTH CHINA MORNING POST (BUSINESS POST)** in English  
16 May 88 p 1

[By Cheung Lai-kuen)

[Text] China will introduce a unified accounting system to cover foreign-funded ventures by combining existing mainland rules with international standards.

Yang Jiwang, an adviser to the Financial Ministry's accounting department, said the new rules would combine systems which applied to the three types of foreign investment in China: joint ventures, contractual joint ventures and foreign-owned enterprises.

The accounting rules are broadly the same in each case, with the exception of foreign-owned firms which will be allowed the flexibility to adapt accounting systems within Finance Ministry rules according to their needs.

Speaking at a review of investment in China, Mr Yang explained that the changes were being made to cope with the development of China's coastal economy and the idea of direct management by foreign businessmen in enterprises funded by foreign capital, which was put forward by Communist Party General Secretary Zhao Ziyang recently.

The ministry is also planning to introduce enterprise accounting standards which will strengthen state control over individual accounting after the enterprise law and contract responsibility systems have been implemented.

The standards would also apply to enterprises using foreign investment, he added.

Mr Yang also said there were about 150 public accounting firms in China with about 2,000 certified public accountants (CPAs).

The number of accountants was far from adequate to meet the demand of an economically developing China, he said, and further measures would be taken to enlarge the number and enhance professional education and technical standards.

Mr Yang, who is also the vice-chairman of the Accounting Society of China, announced that a Chinese Institute of Certified Public Accountants would be established this year.

The institute would be the intermediary between the Government and CPAs and would also serve as a professional body for self-regulation and education.

#### Enterprise Groups Needed to Revitalize Economy

OW1405053588 Beijing XINHUA in English  
1334 GMT 13 May 88

[Text] Luoyang, May 13 (XINHUA) — Chinese officials and industrialists are studying ways to form enterprise groups as a means of revitalizing the economy.

Such groups will share managerial experience so as to create greater efficiency and develop more markets for products, specially exports, according to reports from a meeting held by the State Commission for Restructuring the Economy here yesterday.

Over the past 30 years, the focus has been in building backbone enterprises relatively advanced in technology and equipment.

But with the current reforms these have been forming lateral economic ties with related businesses.

China now has more than 100 large enterprise groups, in addition to 6,000 economic associations.

Economists believe China's economic strategy depends on two forces — the labor intensive, locally-run, small and medium-sized enterprise, and the technological intensive enterprise groups.

To prevent monopolies from arising, the commission encourages competition among the enterprise groups.

#### Regulations Issued on Light Industrial Products

OW1405113288 Beijing XINHUA Domestic Service  
in Chinese 0811 GMT 12 May 88

[Text] Beijing, 12 May (XINHUA) — With the State Council's approval, the Light Industry Ministry recently issued regulations on strengthening the management of some light industrial products.

The "Regulations" are meant to provide macroscopic guidance for the development of some light industrial products, durable consumer goods in particular; make better use of the economic levers, laws and other regulatory means; more effectively manage the trades engaged in production of light industrial goods; provide guidance in production; encourage reasonable competition; restrict the production of unmarketable goods in oversupply; produce more brandname and quality products in short supply; force counterfeit, inferior, and overpriced products out of the market; and curb the blind development of a few products in short supply. The specific regulations are as follows:

1. The Light Industry Ministry is the department in charge of the trades engaged in the production of bicycles, sewing machines, timepieces, refrigerators, air conditioners, washing machines, electric fans, vacuum cleaners, pianos, electric organs, and other products. From now on, the approval of the Light Industry Ministry should be obtained before any newly built factories or facilities manufacture these durable consumer goods. The administration for industry and commerce shall proceed with the registration of these products based on the documents of approval from the Light Industry Ministry. If an enterprise manufactures the above-mentioned durable consumer goods without prior approval, its major responsible persons and their supervisory department shall be held accountable.

2. Enterprises that have the approval to manufacture products listed in Section 1 should pay taxes as required by the tax law, and they are not entitled to unauthorized tax reductions or exemptions. Without the Finance

Ministry's approval, no departments or localities are allowed to unilaterally reduce the value-added taxes for these enterprises, exempt them from these taxes, or give them financial subsidies, regardless of whether they are operating in the red.

If enterprises that produce or assemble products listed in Section 1 within the special economic zones and development zones want to sell their products in the domestic market, they should pay additional value-added taxes to the various links as required by the current tax law, besides going through the procedure in accordance with the guidelines contained in the relevant documents of the State Council's Special Economic Zones Office, the State Economic Commission, the General Administration of Customs, and the State Administration for Industry and Commerce. If the products they produce or assemble contain imported materials, they should get the approval of the supervisory departments and pay additional taxes to the various import links before their products can go on sale.

3. Strengthen price management and supervision, and strictly implement the pricing policy. It is necessary to more effectively manage and supervise the prices of light industrial goods in short supply whose prices have been decontrolled, and establish a system for reporting price changes in order to check the attempts to resell these goods in other places at higher prices to make a profit. When necessary, the people's governments of large and medium-sized cities may set the price ceilings for light industrial products in short supply whose prices have been decontrolled, and may prohibit private individuals from selling certain goods.

4. At fixed intervals (every six months or so), the Light Industry Ministry and the Commerce Ministry should jointly or separately report on the supply and demand of light industrial products to the banks, providing them with analyses and forecasts of products in excess and in short supply. When necessary, they should let the general public know about the supply and demand as well as market forecasts of the light industrial products concerned. The banks shall not renew loans to enterprises that blindly produce goods in oversupply, or to those that turn out products which are in short supply, but which are of poor quality, consume large amounts of materials, or require high production costs. They should collect the loans in use as scheduled. The existing policy of raising the interest rates should be applied on bank loans that have expired or have been misappropriated.

5. The Light Industry Ministry should strengthen macroscopic management of light industrial products, and formulate a unified development plan for different trades. The Light Industry Ministry should treat equally without discrimination enterprises under all departments, including village and town enterprises, that produce light industrial products. Following the principle of making reasonable distribution, it should support major

enterprises, restrict blind development, encourage competition, select the good, eliminate the poor, and refrain from passively shielding backward enterprises.

6. Imports of parts and accessories needed to produce electronic timepieces shall be jointly examined and approved by the Light Industry Ministry and the Ministry of Machine-Building and Electronics Industry. These documents of approval shall serve as the basis for customs inspection and clearance.

7. Strictly control quality and safeguard the consumers' interests. Light industrial goods should be produced according to the relevant standards (not applicable to those without standards). Products that do not meet the standards are not allowed to go on sale in the market as qualified products. Products listed in Section 1 can be put on sale in the market only after they have met the standards at and above the level of the state and the profession (ministry). Brandname and quality products that do not meet the quality requirements for brandname and quality products are not allowed to use the brandname and quality signs, nor are they allowed to be sold at higher prices for their alleged good quality. The Light Industry Ministry should establish a system of issuing bulletins on product quality.

Light industrial products bearing the titles of quality products at the ministry level should be reexamined and spot-checked within a fixed period of time. Those that do not meet the standards shall lose their titles as quality products, and the general public shall be informed about this.

8. All localities and departments should earnestly implement the "Regulations on Strictly Banning the Production and Sale of Unlicensed Products" formulated by the former State Economic Commission, the State Bureau of Standardization, the State Bureau of Materials and Equipment, the Industrial and Commercial Bank of China, the State Administration for Industry and Commerce, the Commerce Ministry, and the Agricultural Bank of China. Production licenses should be strictly controlled, and a system of production licenses should be developed as soon as possible.

For products listed in Section 1, production licenses shall be issued only to enterprises which are located in areas designated by the Light Industry Ministry and which meet the requirements. These enterprises shall not be issued product licenses if their product quality does not meet the requirements of the state or the profession (ministry).

9. Raw and semifinished materials shall be supplied only to selected enterprises with good performance. Before the supply and demand of the means of production are completely regulated by market forces, when it comes to planned allocation of materials and equipment, material supplies departments at all levels should coordinate more closely with light industrial departments at all levels, and supply raw and semifinished materials to

selected enterprises that produce brandname and quality products in short supply. No localities or departments are allowed to retain the raw and semifinished materials earmarked for these selected enterprises.

10. Actively encourage integration of enterprises whose lead products are brandname and quality products, strive to expand the scale of economic mass production, and increase the market share of brandname and quality products. To become a member of an enterprise group or an association of enterprises whose lead products are brandname and quality products, a production enterprise should have its products tested by quality inspection institutions authorized by the supervisory departments of the trade, and found to be capable of economic mass production.

**Controls on Light Industrial Goods Tightened**  
*OW1405122388 Beijing XINHUA in English*  
*0930 GMT 13 May 88*

[Text] Beijing, May 13 (XINHUA) — China has decided to tighten production of 11 light industrial goods, a senior official of light industry announced here Thursday.

The 11 products include bicycles, sewing machines, clocks, watches, refrigerators, air-conditioners, washing machines, electric fans, vacuum cleaners, pianos, and electronic organs, Vice Minister Kang Zhongjun said at a press briefing held here Thursday.

Some of those goods are seeing a decline in sales or are overstocked, the official said, adding, of those in-demand items, like bicycles and refrigerators, only name-brand products are selling well.

In 1987, China put out 40 million bicycles, but 9 million are being stored in warehouses because of no buyers, the vice minister said, and during the same year, nearly 10 million washing machines were manufactured, of which more than 1.8 million are stockpiled.

China's present refrigerator production capacity has reached 12 million a year, the official said, adding, with this capacity, China's actual output of this consumer durable will be greater than the country's annual market demand even a decade later.

From now on, Kang explained, anyone who wants to build a factory to produce any of these 11 items must secure ministry approval, and those who go ahead without contacting the ministry will be punished.

To protect consumers, price controls will be tightened over in-demand light industrial commodities, illegal reselling will be banned, and in larger cities prices will be fixed and individual traders will not be allowed to sell certain items.

The official also said, all localities and related departments must ensure the material supplies for the production of high quality, marketable items, and the ministry will publish regular market status and prediction reports.

The Light Industry Ministry and some other State Council ministries and commissions have decided, all goods produced in the country's special economic zones, when sold domestically, have to pay value-added tax, and if the products contain imported materials, the required tax must be paid before the items leave the zones.

**China Adjusts 'Industrial Product Mix'**  
*OW1605122088 Beijing XINHUA in English*  
*0752 GMT 16 May 88*

[Text] Beijing, May 16 (XINHUA) — China produced more market-oriented goods in the first four months of this year thanks to "adjusting the industrial product mix", the "PEOPLE'S DAILY" reported today.

Production of color television sets in the first quarter was 2.4 million, up more than one-third over the same period last year, refrigerators 1.9 million, up 80 percent, and cameras 800,000.

Output of chemical fibres, polyester blend fabrics and knitting wool all registered big increases in the first four months. Output of thin steel sheets topped 1.5 million, up 22 percent over the same period of last year.

The country has reduced a number of products of which supply has exceeded demand. For example, production output of wrist watches was down by 22.7 percent compared with the same quarter last year, of washing machines by 9.6 percent, radios by 8.9 percent and sewing machines by 4.2 percent.

**Price Controls Strengthened Nationwide**  
*OW1505194188 Beijing XINHUA in English*  
*0616 GMT 15 May 88*

[Text] Beijing, May 15 (XINHUA) — China has decided to crack down on profiteers who take advantage of the country's current price adjustments to make illegal profits.

The State Administration of Commodity Prices published a series of regulations on the punishment of price violations yesterday and the move is aimed at improving price controls, stabilizing the economy, and ensuring the smooth development of China's ongoing reform, today's "PEOPLE'S DAILY" reported.

According to the paper, unofficial price increases are one of the reasons for higher prices in recent years, with some local government departments, enterprises, and self-employed vendors directly involved.

According to the new regulations, those who violate state price policies will be fined. In serious cases, individuals or profiteering organizations will face fines between three and ten times more than what they earned through illegal price increases.

The new regulations went into effect May 14.

**'Backward' Textile Technology Discussed**  
**HK1605043888 Beijing CHINA DAILY**  
**(BUSINESS WEEKLY SUPPLEMENT) in English**  
**16 May 88 p 1**

[By Staff Reporter Tian Ying: "Poor Technology Hurting Textile Industry"]

[Text] Backward textile technology is hindering China from producing high-quality products. However, the problem has not caught the attention of the departments responsible and technical renovation is neglected by many enterprises, the newspaper ECONOMIC INFORMATION says.

The problem was exposed at the country's second national textile technology fair held in Chengdu last month.

During the 10-day fair, 902 contracts and letters of intent valued at 110 million yuan were signed. But only 35 percent were for technical transfer and service. The rest were for purchase of textile products.

More than 1,300 technology items listed in the fair's catalogue did not draw interest from anybody, although many of them are national prize-winners or of the Ministry of Textile Industry.

China has the largest textile industry in the world. Its textile production value accounts for about 25 percent of the country's light industrial output value, and foreign exchange earnings from textile exports make up one fourth of the country's total foreign exchange earnings, the newspaper said.

The industry has a large potential for further development. But expansion has been hindered by obsolete technology and equipment. About 30 percent of the equipment is old, and only about 2 percent meets world standards of the 1980s.

Backward technology results in low-grade products. China's domestic markets have a short supply of expensive textile products, and the country's textile products are also weak on the competitive world market.

The average price of one ton of Chinese textile products is about \$4,000 on foreign markets, only 33 percent of the price of those from developed countries. The large difference is caused by the difference in quality of the products, the newspaper said.

South Korea, for example, exported \$7.31 billion worth of garments last year, 69 percent of its total textile exports. But China exported only \$3.75 billion worth of garments, 39 percent of its total textile exports. The rest were semi-finished products and raw materials.

Textile dyeing and printing are weak in China. A lot of Chinese fabrics are now dyed and printed in Hong Kong and then shipped back to the mainland for processing. Expensive clothes for export are made with high-grade cloth. But the country is not capable of producing enough such materials, and most export-oriented clothing enterprises now import cloth for processing.

This has increased the production costs of exported clothes, making the products less competitive on the world market, the newspaper said.

At a time when China lacks the technology to improve production, about 70 percent of the new technology items developed by research institutes, enterprises and individuals are remaining models at exhibitions. The slow technology transfer is due to various reasons, according to experts' analysis.

Instead of allocating funds for technical renovation projects, enterprises are urged to secure loans. The new policy has increased the financial pressure on enterprises, so many of them do not want to spend much money on projects involving new technology. Many enterprises also do not want to take the risk of developing new products when their old products are selling well.

Some problems that have appeared in the course of economic reforms are also obstacles to technology development. A factory director said he did not give any consideration to adopting new technology valued at more than 50,000 yuan, "because I will be in charge of the factory for only two years according to a contract signed with my authorities."

The gap between research organizations and textile producers is another obstacle to converting technology breakthroughs into products, experts said. They proposed that scientists should not bury themselves in research. Integrated organizations to develop theory, technology and application should be established to facilitate technical transfer. Emphasis should be placed on technical projects that involve small investment and quick economic results.

**Nuclear Industry's Civilian Products Detailed**  
**HK1605044488 Beijing CHINA DAILY**  
**(BUSINESS WEEKLY SUPPLEMENT) in English**  
**16 May 88 p 1**

[By staff reporter Chen Weihua: "Nuclear Plants Put On Civilian Clothes"]

[Text] In line with a massive drive to turn China's military industries to civilian production, the Ministry of Nuclear Industry (now called the China National

Nuclear Industry Corporation under the Ministry of Energy Resources) is no longer a place which reminds people only of nuclear bombs. In fact, over 90 per cent of its factories now make civilian products.

The total civilian production value of the ministry was 435 million yuan last year from 600 civilian products, compared with only 80 million yuan in 1980, when the change had just started. The figure is expected to reach 500 million yuan this year and 800 million yuan by 1990, when some big civilian projects will go into production.

So far, the ministry has developed 10 major products, including isotopes, nuclear instruments, automatic fire alarms, building materials, and metallurgical and light industrial products.

Construction teams under the ministry achieved a production value of 500 million yuan last year, and 50 million yuan was earned by the staff of the ministry from technology transfer and other services.

But the ministry's civilian production value is not as high as that of other defence industries such as the Ministry of Astronautics Industry, which had a civilian production value of 2.3 billion yuan last year.

This is because many nuclear industry factories, built under the strategy of the early sixties to locate sensitive defence plants in "secure, remote mountainous regions," were difficult to access and cut off from up-to-date information, an official from the ministry said. Some buildings and equipment cannot be used for civilian production because they have been polluted by radioactivity and the cost of cleaning them is too high, he said.

Besides, there was insufficient financing to shift to civilian production, although the State Economic Commission has made some loans and several foreign countries such as Switzerland, the United States, West Germany and Japan have provided capital, equipment and technology for several factories to produce fire alarms and lithium and phonics products.

According to Jiang Xinxiang, former minister of the industry, attracting foreign funds and technology is an important way to develop the industry. But he said there are still many difficulties in the use of foreign funds.

Negotiations usually take a long time. For example, it took nine years to reach agreement on the projects with Japan. "Some foreign businessmen know we want to balance our foreign exchange by exporting products, so they demand lower prices. This makes some projects unprofitable for the Chinese," he said.

Still, he said, these projects are significant. The output of fire alarms, the nation's best quality products made by seven factories using technology from Switzerland,

accounted for 70 to 80 per cent of the national total of 150,000 last year and is expected to reach 200,000 with a production value of 100 million yuan by 1990.

The production of nuclear safety valves has saved the country \$14 million in import expenditure. The ministry is now trying hard to develop some other key products of the industry.

So far, work done for nuclear power plants makes up the largest part of the ministry's activities in civilian production. The welding of safety shells and production of reinforced concrete for the Qinshan Nuclear Power Station in Zhejiang Province, the first in China, have passed State quality inspections, and production is expected to begin in 1990.

Construction has already begun on the main projects for the two 900-megawatt nuclear reactors in Guangdong's Daya Bay Nuclear Power Station, and power production is expected to begin by 1992 or 1993. The official said some other nuclear power stations are under consideration.

#### Market Reopened for Auctions in Beijing OW1405224888 Beijing XINHUA in English 1502 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA)—The Chinese capital moved another step closer to developing a commodity economy with the re-opening today of [word indistinct] market.

About 200 people attended the auction at the Cultural Palace of Nationalities. Sales totalled 101,400 yuan.

The auction, the first in the city in more than a decade, lasted two hours and attracted some foreign bidders.

An Australian won a pair of Qing Dynasty wood chairs for 2,000 yuan in foreign exchange certificate.

The auction adopted the practices in other countries, selling goods including personal possessions for a commission, said Liu Cuntian, the market manager. Identities of buyers and sellers were kept anonymous, at request.

Liu said the re-opening of the market fits the development of a commodity economy.

#### Airport Construction Acceleration Planned OW1605004588 Beijing XINHUA in English 1359 GMT 14 May 88

[Text] Beijing, May 14 (XINHUA)—China is speeding up its construction of airports to keep pace with the development of the country's economy and tourism.

Eleven airports are now under construction or expansion, an official from Civil Aviation Administration of China (CAAC) says.

Since 1979, the official said, China has built or expanded 30 airports. The number of airports able to receive intermediate and jumbo jets has doubled.

Most of the construction has been in coastal cities such as Dalian, Xiamen, and Qingdao, or major tourist destinations such as Luoyang and Dunhuang.

New departure halls are planned for Beijing and Guangzhou airports. Expansions will start in the airports at Shanghai, Kunming, and Urumqi, the official said.

To improve safety, efficiency and reliability of air travel, installations and equipment are being upgraded to international standards.

The official said investment in the industry, once the sole prerogative of the state, has been expanded to include both local investment and state-local joint investments.

Foreign loans have begun to be used, too. For example, Kuwait has provided a loan for the airport construction at Xiamen, Fujian Province.

China has about 80 civilian airports, of which 34 can handle jumbo jets and 21 intermediate jets.

For a country with a population of one billion people, that number is way too small, the official said.

**Population Growth Rate Slowed Down in 1987**  
*OWI405064388 Beijing XINHUA in English  
0943 GMT 13 May 88*

[Text] Beijing, May 13 (XINHUA) — China's State Family Planning Commission slowed down the country's population growth rate in 1987.

Last year was the second year of an increase in China's population growth rate, but thanks to efforts nationwide, the number of newborns in 1987 was only 3.6 percent higher than 1986, compared with 1986 being 14.8 percent higher than 1985.

Commission statistics also indicate the number of people getting married for the first time has also gone down. In 1985, the number of first marriages was 800,000 higher than in 1984, in 1986 there were 560,000 more than in 1985, but in 1987 there were only 80,000 more than in 1986.

As for contraception, the number of women who had tubal ligations or used intrauterine devices in 1987 was 40.7 percent higher than 1986, and of the nation's 155 million people using contraception, 88.4 percent rely on these 2 methods.

To date, more than 32.3 million couples have signed up for the "One Couple, One Child" program, and the number participating in 1987 was 1.8 million higher than in 1986.

"Although we have scored some successes in family planning, the population is still growing, and the 1988 birth rate will continue to rise," a State Family Planning Commission official said.

"The country's family planning policies still need to be improved," the official said, adding more control is needed over the country's transient population, early marriage and child bearing, and couples having more than one child in some areas.

**Satellites Used Extensively in Cartography**  
*OWI505042988 Beijing XINHUA Domestic Service  
in Chinese 0104 GMT 12 May 88*

[By correspondent Wang Youqi]

[Text] Xian, 12 May (XINHUA)—The history of Chinese cartography dates back to the Xia, Shang, and Zhou Dynasties over 3,000 years ago. However, extensive mapmaking has been done only since the beginning of this century, especially in the 39 years since the founding of the PRC. What great changes have taken place in the technical means to draw maps of the mountains and rivers on the good earth of our motherland? At a conference on data processing of military cartography and geodesy which was held recently in Xian, Zhang Guowei, deputy director of the Cartography Bureau under the PLA General Staff Department, disclosed the following surprising information: Map drawing was done manually on paper in the 1920's, and with aerial photography in the 1930's, but since the late 1970's, satellite space technology has been applied in cartography.

Maps are essential for every state. To safeguard our national sovereignty, we need an accurate map delineating the boundary lines. In conducting military exercises, civic construction, geological surveys, farmland planning, scientific research, and key construction projects, we also need unified coordinates and elevation topography. Therefore, cartography is a highly technical type of basic pioneering systems engineering that requires complicated work procedures.

Prior to the 1920's, as our country was still rather impoverished, maps of our motherland were drawn by cartographers with plane tables in the field. As a result, the maps were not very accurate. From the late 1930's, China began to use photographs taken from airplanes in mapmaking. However, due to foreign invasion, this method was used only locally. After the founding of New China, aerial photography was applied in all areas, and a national map with unified coordinates and elevation topography began to take shape. Since the 1970's, China has successively launched all kinds of artificial earth

satellites for scientific and technical experiments, scientific exploration, and broadcasting use. Of the satellites, those for scientific exploration have sent back clear remote-sensing pictures covering extensive areas of the earth. A remote-sensing picture usually covers about 10,000 square km and contains comprehensive information about the mountains, rivers, forests, farmland, cities, towns, and vegetation in various parts of the motherland.

In China's modernization drive, satellites have already been used extensively in prospecting resources, surveying national territory, and making all kinds of special maps.

Democratic League Runs Law Research Institute  
HK1505081188 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0222 GMT 29 Apr 88

[Report: "A Democratic Party Runs the First Legal System Research Organization in China"]

[Text] Beijing, 29 Apr (ZHONGGUO XINWEN SHE)—The first legal system research organization run by a democratic party has been established in Beijing. This organization, called the Legal System and Social Development Research Institute, is run by the Chinese Democratic League. The research institute held its first news briefing today.

Li Shun, member of the working committee of the institute, pointed out that the Legal System and Social Development Research Institute run by the Chinese Democratic League is an organization for the study of social sciences and is also a civilian organization that provides professional and vocational services.

The research institute has employed lawyers, accountants, engineers, as well as academics engaged in the study of law, economics, politics, psychology, and the theory of development, to provide wide-ranging services for Chinese citizens, enterprises, government and social organizations, and foreigners in China.

As disclosed, the research institute also provides foreigners with information on Chinese law, Chinese culture, environments for investments, and foreign businessmen's economic activities in China.

Mr Hu Deping, secretary general of the United Front Work Department of the CPC Central Committee, attended the news briefing. He remarked that it is good for a democratic party to organize a research institute that can exercise supervision over society by legal means.

The Chinese Democratic League now has over 70,000 members. Reports say that the Democratic League will adopt a new constitution at its sixth national congress this coming autumn. It is possible that the Democratic League will draw up its political program at the congress. Quite a number of league members believe that this political program will focus on "building China's democratic politics."

East Region

Chen Guangyi Addresses Fujian Party Meeting  
OW1605075188 Fuzhou Fujian Provincial  
Service in Mandarin 1000 gmt 10 May 88

[Text] In his work report to the eighth enlarged session of the fourth provincial party committee, provincial party committee Secretary Chen Guangyi pointed out: The development of Fujian's export-oriented economy and its extent of openness basically hinges on our accelerating and strengthening reforms. The main tasks of reform in the near future are, in line with the general goal of developing a socialist commodity economy and revolving closely around the economic strategy of developing coastal areas, to focus on intensifying reforms among enterprises while instituting supporting reforms in the realms of economy, politics, science and technology, and education; and gradually build up a flexible, efficient, and complete system, mechanism, and environment. Regarding the system, we should establish a management system that encourages and facilitates large-scale import of raw materials and export of products. We should also carry out corresponding reforms of the political structure. As for mechanism, we should develop a flexible, open, and market-oriented mechanism for economic activities so that gradually our economy will function under a mechanism in which the state regulates the market and the market guides enterprises. In view of the actual situation of reforms in our province, we should emphasize building and improving accommodation, circulation, and competition mechanisms. Regarding the environment, we should create a good one which suits foreign investments and applies international rules in running enterprises.

Chen Guangyi pointed out: Lately, people have been greatly concerned with the reform of commodity prices. Fujian, as an experiment zone for price reform, should also address the issue in advance of other places. We should adopt measures to rationalize step by step the prices of major commodities, improve reform measures, and set up a new pricing system. We should make it clear to cadres and the masses that price reform is imperative and unavoidable, for if we do not reform unreasonable prices, we will violate the law of value and thereby inhibit the growth of productive forces, which will eventually affect the people's well-being. We should approach price reform firmly, steadily, and with good timing so that it will be carried out in stages and in a mild way that poses the least psychological disturbance to the people. We should strengthen their ability to withstand reform and avoid causing great mental shock as well as fierce price fluctuations. In the course of price reform, governments at all levels should give careful and attentive guidance, reinforces supervision, and strictly prohibit any person from exploiting the opportunity to drive up prices and disrupt the market.

Fujian Congress Standing Committee Meeting Ends  
OW1605020288 Fuzhou FUJIAN RIBAO in Chinese  
30 Apr 88 p 1

[Excerpts] The second meeting of the seventh provincial People's Congress Standing Committee ended yesterday.

The 8-day meeting examined and approved the "Fujian Provincial Regulations on Family Planning," "Fujian Provincial Regulations for Protecting Minors," "Procedural Rules of the Fujian Provincial People's Congress Standing Committee," "Decision of the Fujian Provincial People's Congress Standing Committee Approving the Establishment of the Qingshaoyu Prefectural People's Procuratorate in Fujian Province," and a namelist of the Credentials Committee of the Provincial People's Congress Standing Committee.

The meeting heard a report on the 1987 final accounts of Fujian. The report said: In 1987 Fujian's total revenues amounted to 3.865 million yuan, and expenditures 3.781 million yuan, with a surplus of 84 million yuan. Although Fujian was able to achieve its financial balance with a small surplus in some localities and departments, a number of counties and cities suffered deficits and the financial problems remain to be overcome. The meeting examined and decided to approve the 1987 final accounts submitted by the provincial government.

Upon the recommendation of Governor Wang Zhaoguo, the meeting appointed Fu Dewen as the director of the provincial Department of Supervision, Dai Yichao as the director of the provincial Department of Materials, Zhu Guoqing as the director of the provincial Department of Petrochemical Industry, Zhang Jiakun as the director of the provincial Light Industry Department, and Pan Xincheng as the director of the provincial Finance Department. It also approved appointments and removals of functionaries of the People's Court and the People's Procuratorate. [passage omitted]

Chairman Cheng Xu spoke at the closing of the meeting, explaining the implementation of the guidelines of the First Session of the Seventh NPC. [passage omitted]

Vice Chairman Wen Xiushan chaired the meeting yesterday.

Other vice chairmen attending the meeting were Huang Changxi, Zhang Yumin, Kang Beisheng, Wang Yishi, Liu Yongye, and Xiao Jian. Vice Governors Chen Mingyi and Su Changpei; Chen Xinxiu, president of the provincial Higher People's Court; and Chen Mingshu, chief procurator of the provincial People's Procuratorate observed the meeting yesterday.

**Jiangxi Leaders Meet Party Representatives**  
*OW1505130888 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 11 May 88*

[Text] Provincial party and government leaders as well as central leaders of the democratic parties from Beijing met with the representatives to the provincial congresses of the Kuomintang Revolutionary Committee, the Democratic National Construction Association, the Association for Promoting Democracy, the Peasants and Workers' Democratic Party, the Jiusan Society, and the Federation of Industry and Commerce at the Jiangxi Guesthouse this afternoon. They also posed for photographs with the delegates.

Provincial party and government leaders present at the meeting were Mao Zhiyong, Wu Guanzhong, Xu Qin, Jiang Zhuping, Wang Zhaozong, Wang Baotian, (Wang Taihui), Zhao Zengyi, Di Sheng, (Liu Zhongzhou), Huang Xiandu, Wu Ping, Yang Yongfeng, Shen Hanqing, Li Shanyuan, Wu Yongle, Jin Liqiang, Liao Yanxiong, and Li Peiyao.

Lei Jieqiong, vice chairman of the NPC Standing Committee and chairman of the Central Committee of the Association for Promoting Democracy, Peng Qingyuan, vice chairman of the Central Committee of the Kuomintang Revolutionary Committee, Zhang Shiming and Tian Guangtao, vice chairmen of the Central Committee of the Peasants and Workers' Democratic Party, and Xu Caidong, vice chairman of the Central Committee of the Jiusan Society, also met with the representatives of their respective parties.

**Shandong's Liang Buting Meets Xing Chengzhi**  
*SK1405091888 Jinan Shandong Provincial Service in Mandarin 2200 GMT 13 May 88*

[Text] Xing Chengzhi, secretary of the Hebei Provincial CPC Committee; and Song Shuhua, vice governor of the Hebei provincial government, led a delegation to inspect Shandong Province. Liang Buting, secretary of the Shandong Provincial CPC Committee; Lu Maosang, deputy secretary of the provincial party committee; Jiang Chunyun, governor of the province; and Li Chentian, vice governor of the province, held talks with the guests from Hebei at the Jinan Nanjiao Guesthouse on the morning of 13 May.

The 25-member inspection delegation of the Hebei Provincial Party Committee and the provincial government arrived in Jinan on 12 May. The delegation visited Shandong to inspect our province's condition concerning urban and rural commodity economic development under the guidance of the policies on reform, opening to the outside world, and enlivening the domestic economy over the past few years.

Comrades Liang Buting and Jiang Chunyun detailed the province's economic development situation, its practices of persistently conducting reform and opening to the outside world, and its plan for realizing the second doubling target for the guests.

Comrade Jiang Chunyun said: Hebei is a near neighbor of Shandong. During the revolutionary war period, the people of the two provinces jointly pioneered the Bohai liberated area and the Hebei-Shandong-Henan liberated area. After liberation, and particularly since the 3d plenary session of the 11th party Central Committee, the two provinces have maintained increasingly frequent economic and trade contacts with each other. We hope that the two provinces will further enhance their cooperation and cooperatively promote economic construction.

Li Chunting, vice governor of the provincial government; Li Yu, member of the provincial Advisory Commission Standing Committee; and Zhu Qimin, special adviser to the provincial government, respectively, introduced the province's situation concerning economic structural reform; industrial, transportation, financial, and trade development; opening to the outside world; and agricultural development. They also jointly explored the new problems cropping up in the course of reform and opening to the outside world.

The inspection delegation of the Hebei Provincial CPC Committee and the provincial government will visit and inspect Jinan, Yantai, Weifai, Qingdao, and Weifang.

**Shanghai Secretary Opposes "Beauty Pageant"**  
*HK1205132788 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0804 GMT 9 May 88*

[Text] Hong Kong, 9 May (ZHONGGUO TONGXUN SHE)—News from Shanghai: Jiang Zemin, secretary of the Shanghai Municipal CPC Committee, gave an order forbidding a "beauty pageant" in Shanghai some days ago. In the 5 years he has been in office, Shanghai has not had such an activity.

The supreme leader of Shanghai said that at present, "conditions are not yet ripe" for a "beauty pageant."

Since 27 April when names began to be accepted for the election of "Miss Shanghai," there have been two different opinions in various circles of Shanghai. Naturally, the cosponsors, the Shanghai Municipal Women's Federation, the No. 2 Shanghai Television Station, the Shanghai Advertisement and Decoration Company, and the Shanghai Household Chemicals Plant, have spared no effort to make preparations. Their advisors have published articles in newspapers and been interviewed by reporters, stressing the importance of the beauty pageant. But most cadres who have retired or left their posts for convalescence and the residents, who are worrying about price increases, are taking exception to it.

Some people are especially disgusted with the decision that once "Miss Shanghai" is elected, she will get a money award of 5,000 yuan. Some other people, who do not know the purpose of the pageant, think that its purpose is to "select beautiful girls for certain cadres."

According to an analysis, when Jiang Zemin said "conditions are not ripe," the remark did not refer only to public opinion. At present, there are many problems and contradictions in the economic, cultural, and educational fields of Shanghai as well as in the people's minds. The leaders of Shanghai and the 12 million residents are required to work hard with one heart and one mind to solve these problems and contradictions. It is really too early to spend 450,000 yuan on a "beauty pageant" at this time.

**Jiang Zemin Commends Shanghai Model Workers**  
*OW1605022488 Shanghai City Service in Mandarin*  
*2200 GMT 11 May 88*

[Text] A grand meeting of Shanghai's model workers for 1987 was solemnly held at the auditorium of the municipal government yesterday afternoon. Amid strains of music accompanied by drumbeats, a total of 984 model workers and the representatives of 360 advanced collectives in Shanghai were commended. Party and government leaders in Shanghai attending the meeting included Jiang Zemin, Zhu Rongji, Huang Ju, Wu Bangguo, Li Jiazhao, and Xu Yifang as well as veteran Comrade Zhong Min. Huang Ju, deputy secretary of the municipal CPC Committee, vice mayor of Shanghai, and chairman of the municipal committee for selecting model workers, made an inaugural speech. (Jiang Rong), vice chairman of the municipal committee for selecting model workers and president of the municipal Federation of Trade Unions, described how model workers in Shanghai for 1987 were selected. Huang Ju read the decision of the Shanghai Municipal Government on commanding model workers and advanced collectives in Shanghai for 1987. Then, amid strains of lively music, the workers and representatives of the advanced collectives mounted the rostrum to receive the certificates signed by Mayor Zhu Rongji and medals. At the meeting, the deeds of Lu Yinjuan, a national model worker — a textile worker of Shanghai Cotton Mill No 31 were told.

On behalf of the municipal CPC Committee and the municipal government, Jiang Zemin, secretary of the Shanghai Municipal CPC Committee, congratulated the model workers and the advanced collectives. He dwelled on the following three issues:

1. The leadership at all levels must pay full attention to the role of model workers and take good care of them. He said: Model workers must mainly rely on their own arduous efforts. However, they too need the support of the party organizationally and the assistance from their friends and coworkers. The leadership at all levels must create favorable conditions to help model workers forge

ahead, and show concern for their work, living conditions, and the trend of their thoughts. They must also help model workers solve problems under the present situation.

2. We must give publicity to the advanced deeds and ideas of the model workers. Their advanced deeds reflect the characteristics of the present era and the style of the contemporary workers. We have not yet fulfilled our task by merely choosing the model workers. It is all the more important to give publicity to their deeds and ideas so that they have a great impact on the people.

3. All model workers must continue to contribute their share to rejuvenating Shanghai. Right now, Shanghai is facing a historical turning point. This year is a crucial one. In order to fulfill this year's production tasks, we still need to overcome many difficulties such as a lack of funds and raw materials and the fact that we still cannot meet the requirements of the new strategy. In the near future, the municipal government will convene a grand meeting aimed at mobilizing all the people in the municipality to further develop the campaign to increase production, practice economy, raise revenues and reduce expenditures.

Comrade Jiang Zemin hoped that all the model workers and advanced collectives would play their role well as initiators, as a backbone, and as a bridge; continue to work harder than ever before in face of the new situation and the new tasks; and score new achievements.

At yesterday's meeting, Jiang Naixiong, a model worker and deputy research fellow of the Institute of Computing Technology of Shanghai, and the representatives of two advanced collectives exchanged their experiences. All model workers at the meeting pledged to pool their efforts to rejuvenate Shanghai.

**Central-South Region**

**Guangdong Secretary Addresses CPPCC Meeting**  
*HK1305060288 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 10 May 88*

[Excerpt] The Sixth Provincial CPPCC Standing Committee held its second meeting in Guangzhou on the morning of 10 May. Provincial party committee Secretary Lin Ruo delivered a speech at the meeting. In his speech, he briefed more than 200 meeting participants on the province's industrial and agricultural production, political situation, and the economic structural reform as well as on recent arrangements for provincial work. [passage omitted]

**Guangdong Democratic Party Holds Congress**  
*HK1305151908 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 12 May 88*

[Text] The Seventh Guangdong Provincial Congress of the Chinese Peasants and Workers Democratic Party opened in Guangzhou today. On behalf of the Guangdong Provincial CPC Committee, Deputy Secretary Wang Ning attended the opening ceremony.

The head of the party's Guangdong branch, (Wei Jianxian), delivered an opening speech and deputy head (Huang Yanshan) delivered a work report.

**Guangdong CPC Party Congress To Start 16 May**  
**HK1305151788 Guangzhou Guangdong Provincial**  
**Service in Mandarin 1030 GMT 12 May 88**

[Text] According to the departments concerned of the Guangdong Provincial CPC Committee, the Eighth Plenary Session of the Fifth Guangdong Provincial CPC Committee will be held in Guangzhou from 16 to 18 May. This will be the last plenary session of the fifth provincial party committee.

The meeting is to pass a resolution on the convening of the Sixth Guangdong Provincial CPC Congress and discuss and approve a report on work of the provincial party committee to be delivered to the forthcoming Sixth Provincial Party Congress.

**Hainan Leaders Deny Rumors of Friction**  
**HK1505071288 Hong Kong ZHONGGUO TONGXUN**  
**SHE in Chinese 1205 GMT 5 May 88**

[Report: "Xu Shijie, Liang Xiang Refute Rumor That Hainan Leaders Do Not Get Along Well With Each Other"]

[Text] Hong Kong, 5 May (ZHONGGUO TONGXUN SHE)—At a news conference here today, top Hainan leaders Xu Shijie and Liang Xiang flatly denied that Hainan leaders do not get along well with each other. They stated that the Hainan provincial leadership, which is made up of centrally-appointed and local cadres, is making concerted efforts to contribute to the province's construction.

Xu Shijie said that the central authorities have actually appointed five cadres, including the two of them, to work in Hainan. Most of the cadres in the province's top echelon have been working in Hainan all along. The work arrangements for the grass-roots cadres are basically completed, and they are all at their new posts working for Hainan's development. Xu Shijie and Liang Xiang stated that the rumor about the centrally-appointed cadres not getting along well with the local cadres does not agree with the facts.

Liang Xiang said that the foreign investment situation in Hainan is pretty good at present, with some 100 contracts signed with foreign businessmen, involving a volume of more than \$110 million. Of these contracts, Hong Kong accounts for 80 percent, and the rest were signed with businessmen from Japan, Thailand, and Singapore. The volume of investment involved in letters of intention signed is \$4 billion, of which Thailand's Zhenhua (2973 1129) Financial Group plans to invest \$2.4 billion

in building a large chemical industrial enterprise. Chinese capital derived from various regions in the mainland has accumulated to 2 billion renminbi.

In their generalizations of the characteristics of the Hainan Special Economic Zone, Xu Shijie and Liang Xiang said: It has greater decision-making power; it has these freedoms (freedom to enter and depart for non-Chinese citizens, a free flow of capital, and the basic freedom to import and export); it has long-term land-use rights to be contracted by lots; and there is freedom from restrictions on domestic quotas for foreign trade. In addition, the investment scope will be far more extensive. Apart from making investments in enterprises of "three capital sources," foreign businessmen may also participate in the form of contracted responsibility, leasing, or becoming shareholders. In short, Hainan will handle affairs on the principle of the market economy rather than on a planned economy.

On the possibility of publishing nongovernment-run newspapers, Xu Shijie said that at present, the publication of newspapers in China involves the sanction of the State Media and Publications Office. It has not yet been decided whether Hainan Province has the authority to grant sanctions in this field. If Hainan is authorized to run its newspapers, restrictions will be relaxed in the province, because it is believed that this goes along with economic and cultural opening.

Xu Shijie and Liang Xiang also answered a series of questions of general concern, such as measures for land auctioning, the development of key projects, and the import of skills through inviting applications for posts.

**Hainan Delegation at Development Plan Seminar**  
**HK1205015788 Halkou Hainan Provincial Service**  
**in Mandarin 1000 GMT 8 May 88**

[Excerpts] According to HAINAN RIBAO, at a seminar on the plans for development of Hainan Province held in Hong Kong on 6 May, both Xu Shijie, advisor to the Hainan provincial delegation visiting Hong Kong and secretary of the committee for the preliminary work of making Hainan a province; and Liang Xiang, head of the Hainan provincial delegation and principal responsible person of the provincial government, spoke about the stability and distinguishing features of the policies followed by Hainan. Their speeches won the applause of Hong Kong and foreign businessmen at the meeting.

In his speech entitled "Some Problems of Common Interest," Xu Shijie said: The policies specially endorsed by the central authorities for Hainan Province are stable. There are four good reasons for this assertion. First, the special policies for Hainan Province were initiated and formulated as the whole country was deepening the reform and opening up more to the outside world. As long as our country continues to carry out reform and opening up to the outside world, the special policies for Hainan Province will not change. Second, cadres and the

masses in Hainan give wholehearted support to the special policies endorsed by the central authorities. As for Hainan, it is of major importance that it should not worry whether the policies approved by the central authorities will change. Hainan should creatively apply them in a proper and flexible way. Laws will be drafted for policies which are proved sound in practice. Fourth, some seasonal policies should be further readjusted and improved after they are tested in practice. This is, of course, quite normal. This has nothing to do with any change of the fundamental policies. On the contrary, it can guarantee the continuity and stability of these fundamental policies.

In his speech entitled "The Establishment of Hainan Province and the Prospects for its Development," Liang Xiang said: The policies adopted in Hainan Province are more individual than those in the other four special economic zones with the following distinguishing features. First, its foreign policy focuses on adopting flexible measures. Hainan will acquire as many quotas for exporting fresh and living products to Hong Kong as it needs, and its export of other products will not be restricted by the mainland quota system. [passage omitted] Second, fiscal levy. The central authorities adopted a preferential policy of being responsible for Hainan's finance and covering its deficit through state subsidies. The rate of income tax levied on the enterprises in Hainan is to be 15 percent. Special preferential treatment will be given to enterprises involving higher technologies and export-oriented enterprises as well as to infrastructure. Third, financial policy. Foreign exchange earned by enterprises can be kept for themselves. Foreign banks are allowed to set up their branches or Chinese-foreign joint banks in Hainan. [passage omitted] Hainan Province has the power to approve projects with an investment of under 200 million yuan or US\$ 30 million as well as foreign-funded enterprises whose products are mainly marketed to other countries, not to domestic markets. Fifth, a system of auctioning and bidding for land as well as using and transferring land with compensation will be introduced in Hainan. The maximum duration of land use is 70 years and the use of land may be renewed upon expiry. Foreign businessmen are allowed to contract land in Hainan for exploitation. Sixth, the right to exploit natural resources. Natural resources in Hainan can be leased or transferred to foreign businessmen for exploitation and operation according to laws. Seventh, the right to employ people. As the case requires, Hainan may recruit talented people from abroad and at home. Chinese-foreign joint ventures, cooperative enterprises and exclusively foreign-owned enterprises are allowed to directly employ or dismiss workers and other employees.

**Hubei People's Congress Presidium Meets**  
**HK140514988 Wuhan Hubei Provincial Service**  
**in Mandarin 1130 GMT 7 May 88**

[Text] The presidium of the first session of the seventh provincial People's Congress held the fourth meeting in Hongshan Hall, Wuchang, this morning. Presided over by

Huang Zhizhen, executive chairman of the presidium, the meeting seriously examined, discussed, and adopted the draft resolution of the first session of the seventh provincial People's Congress on the government work report. The presidium also examined, discussed, and adopted the report on the examination of the draft plan for the national economy and social development of Hubei Province for 1988, the draft resolution on the plan for the national economy and social development of Hubei Province for 1988, the report on the examination of the draft report on the implementation of Hubei Province's 1987 financial budget and 1988 financial budget, and the draft resolution on the implementation of Hubei Province's 1987 budget and 1988 financial budget. The delegates also examined, discussed, and adopted the draft resolution of the first session of the seventh provincial People's Congress on the work report of the sixth Hubei Provincial People's Congress Standing Committee, the resolution on the work report of Hubei Provincial Higher People's Court, and the resolution on the work report of Hubei Provincial People's Procuratorate.

The foregoing draft resolutions will be submitted to the deputies for examination and discussion with proposed revisions.

**Hubei CPPCC Elects Chairman, Vice Chairman**  
**HK1305145188 Wuhan Hubei Provincial Service**  
**in Mandarin 1130 GMT 7 May 88**

[Excerpt] This afternoon, at the 5th meeting of the 1st session of the 6th provincial CPPCC Committee held in Hongshan Hall, Wuchang, committee members elected Shen Yinluo the chairman of the 6th provincial CPPCC Committee and elected 9 vice chairmen, 1 secretary general, and 48 Standing Committee members. They were elected by secret ballot. The nine newly elected vice chairmen are Mu Changheng, Hu Hengshan, Zhang Wencai, Dong Yuem, Lin Shaonan, Han Wenqing, (Xie Zhi) (Hu YuanJing), and (Shen Qingchun). The secretary general is (Zeng Zhulang).

Mu Changheng, executive chairman of the session, announced the beginning of the election at 1508 in the afternoon. He said: The total number of the members of the sixth Hubei Provincial CPPCC Committee is 609. The committee members attending the meeting and taking part in today's election total 306, more than half of the total number of the committee members, and a quorum has been procured. [passage omitted]

#### Southwest Region

**Sichuan Improves Highway System, Way of Life**  
**OW1305145788 Beijing XINHUA in English**  
**1148 GMT 12 May 88**

[Text] Chengdu, May 12 (XINHUA)—Highway construction in recent years in southeast China's Sichuan province has brought a better life to many of the region's 15 million poor people, XINHUA learned today.

As a result of in-kind subsidies provided in 1984 by the central government, the province was able to devote more of its own resources toward the building of a 4,600 kilometer-long highway and repairing another one 4,400 kilometers in length. In addition, 1,540 bridges and eight tunnels were constructed. [sentence as received]

In terms of communication and transport, the improvements have brought revolutionary changes. Regional and township industries are blossoming along the routes. The roads have made the transport and delivery of raw materials quicker, easier, cheaper and more dependable. Sales are also up as there is now easier access to a greater number of markets.

Residents living nearby highways can now sell sideline products, local specialties and other agricultural products conveniently, thus bringing greater prosperity to a large number of people who previously had barely enough to wear and eat.

**Tibetan Leader Discusses Handling of Rioters**  
*HK1305145588 Lhass Tibet Regional Service*  
*in Mandarin 1330 GMT 8 May 88*

[Excerpts] According to the TIBET RIBAO, on the afternoon of 7 May the autonomous regional public security department held a mass rally to commend a number of advanced collectives and individuals in putting down the riot this past 5 March. The department demanded that all public security cadres and policemen use the advanced collectives and individuals as models and make new contributions to safeguarding the situation of stability and unity and promoting the four modernizations in our region.

Attending the mass rally were Gyanincain Norbu, deputy secretary of the autonomous regional party committee and secretary of the regional political and legal commission; (?Fu Cheng), deputy secretary of the regional political and legal commission; and (Zhaxi Zhichu), vice mayor of Lhass City. [passage omitted]

In his speech at the rally, Comrade Gyanincain Norbu said: We must not lose sight of the fact that unstable factors still exist. First of all, the small number of separatists have not resigned themselves to defeat and will continue to make trouble. This shows that our struggle against separation will be a protracted and arduous struggle and that our public security cadres and policemen shoulder heavy responsibilities. [passage omitted]

Comrade Gyanincain Norbu added: According to historical experience, to have the initiative in our hands, we must establish close ties with the masses of people. The prerequisites for establishing such close ties are: Our public security cadres and policemen must conscientiously comply with and carry out the Three Main Rules of Discipline and the Eight Points for Attention of the PLA; our public security cadres and policemen must

wholeheartedly serve the people; our public security cadres and policemen must not have any kind of special privilege mentality nor must they carry out any excesses. [passage omitted]

Comrade Gyanincain Norbu continued: In his speech at the national prize-giving conference for advanced collectives and individuals in promoting nationality solidarity and progress, Comrade Zhao Ziyang noted: To safeguard nationality solidarity and the unity of the motherland, we must continue to conscientiously implement the policies toward nationalities and religions, take a clear-cut stand against separation [words indistinct], and resolutely apply sanctions against and crack down on separatist activities. In accordance with this principle, we must speed up the preparatory examination [yu shen] of the following types of people we have taken in [shou rong]: Those key members who organized and engineered the riot; and those who participated in beating, smashing, and looting during the riot. We must severely punish these people according to the law. Regarding those people who have conscientiously confessed their crimes, we should allow them to have the opportunity to perform meritorious services to atone for their crimes.

(Ma Zhongshan), deputy director of the autonomous regional public security department, publicly read a resolution on giving prizes to those advanced collectives and individuals who have rendered meritorious services. [passage omitted]

**Yunnan People's Congress Session Ends 12 May**  
*HK1505062608 Kunming Yunnan Provincial Service*  
*in Mandarin 1000 GMT 12 May 88*

[Excerpts] The First Session of the Seventh Yunnan Provincial People's Congress has been successfully concluded. A grand closing ceremony was held at the Hall of the People's Victory in Kunming this afternoon. The meeting called on the province's people of all nationalities to further rally together, pool the wisdom and efforts of everyone, and struggle hard and rouse themselves for vigorous efforts to make the province prosperous in the spirit of the 13th National Party Congress and for fulfillment of the tasks set for the next 5 years.

The newly elected chairman and vice chairmen of the Seventh Provincial People's Congress Standing Committee worked as executive chairmen for this afternoon's meeting. They were Li Guiying, Yang Yitang, Wang Shicao, Yang Ming, Dao Guodong, Yu Huoli, and (Bai Shuguang). After Yang Yitang, executive chairman of the meeting, called the meeting to order at 1700, the results of the elections held at this morning's meeting were made known. This morning 42 members of the Seventh Provincial People's Congress Standing Committee were elected by secret ballot. [passage omitted]

In his speech, Chairman Li Guiying said that from start to finish, the First Session of the Seventh Provincial People's Congress had followed the principle of democratic centralism, had reflected the spirit of reform, opening up and being realistic, and had a buoyant atmosphere of democracy and unity. He believed that the session would have a great impact on the politics, economy, and social life of our province.

Governor He Zhiqiang also spoke at the meeting. He proposed that his new government make efforts in the following five aspects. First, it should resolutely put into effect decisions made at the first session of the seventh provincial People's Congress. Second, it should stress further emancipation of the mind. Third, it should waste no time in formulating some major policies. Fourth, the provincial government should be built into a highly efficient administrative organ that is honest and upright and serves the people wholeheartedly. Fifth, it should strive for a new turn in its work for this year. [passage omitted]

### North Region

Beijing's Li Ximing at Science Conference  
SK1505064388 Beijing BEIJING RIBAO in Chinese  
27 Apr 88 p 1

[Excerpts] Yesterday the municipal government held a municipal scientific and technological work conference to mobilize all personnel on the municipal scientific and technological front to further emancipate thinking, deepen reform, and stimulate the scientific and technological forces to enter the capital's main battlefield of construction.

Li Ximing, Ruan Chongwu, Lu Yucheng, and Jiang Minkuan attended the conference.

Over the past few years, the municipality has deepened unceasingly the scientific and technological structural reform and has made some remarkable achievements. Last year it implemented the contract responsibility system in scientific and technological business operations focusing on the "3 guarantees and 1 linkup" in 51 municipal scientific and technological research units and 12 research institutes that are subordinate to the second-level companies engaged in scientific development. Last year these 51 scientific research units created social economic benefits worth 540 million yuan, an increase of 170 percent over 1986. These research units and institutes established 126 associations with industrial enterprises, and the actual income of scientific and technical personnel also showed a remarkable increase. Over the past 3 years, Beijing Municipality's scientific research units and institutions of higher learning have established 1,388 scientific research and production integrated organizations with enterprises both within and outside the municipality. Of these, organizations,

850 have taken the municipal scientific and technological research institutes and units and the industrial enterprises as their main bodies. A number of export-oriented enterprises and Sino-foreign joint ventures run by the scientific research units and institutions of higher learning have emerged. Nearly 100 large and medium-sized enterprises throughout the municipality have joined the ranks of scientific and technological research and production associations. Last year, lateral cooperation enabled 502 scientific and technical findings to be applied to production, yielding an additional output value of 360 million yuan. Over the past few years, the municipality's technology market and scientific and technological cooperation have become brisker each day; state-run scientific and technological enterprises have developed and grown rapidly; the rural scientific and technological structural reform has progressed greatly; the scientific and technological sector has geared its work to the needs of the capital's economic construction, urban construction, and city management; and overall arrangements have been improved gradually, yielding remarkable results. [passage omitted]

In the next few years, we will continue to promote reform in scientific research institutes and units, introduce comprehensively competition into all kinds of scientific research organs, and try out all forms of the contract responsibility system in scientific and technological business operations. In addition, we should open up domestic and foreign markets and develop actively all forms of scientific research and production cooperative entities. During this year and the next, we should establish gradually and improve 100 scientific research production associations which can exert a comparatively great influence to transforming traditional industries and developing various trades, can boost the enthusiasm of scientific and technical personnel, and can intensify enterprises' ability to develop themselves. [passage omitted]

Li Ximing, secretary of the municipal party committee, gave a speech at the conference. He said: Leaders at all levels and all departments should understand fully and implement conscientiously the principle that "science and technology must gear its work to the needs of economic construction, and economic construction must rely on science and technology." All units should follow the road of developing scientific progress; develop lateral cooperation actively; raise the level of management; promote the development of productive forces; and end the situation in which some enterprises have high consumption, low efficiency, and poor product quality. We should display superiority of all departments; absorb new technology; select scientific research topics in line with market demands; and use fully the capital's favorable conditions in science, technology, and talented personnel to promote the development of economic and urban construction. The development of the "electronics street" in Zhongguan village over the past few years has provided us with experience. It is necessary to exert strenuous efforts to reform the economic and scientific

and technological systems that are already in force. Only by deepening reform can all trades and professions embark realistically on a path of relying on scientific and technological progress and can products have competitive ability and win a stable market position.

Ruan Chongwu, vice minister of the State Scientific and Technological Commission, said: Beijing has favorable conditions in science, technology, and talented personnel. It is necessary to display fully these favorable conditions, speed up the updating and upgrading of products, and enable them to enter the international market.

Vice Mayor Lu Yucheng delivered a report at the conference, entitled: "Emancipate Thinking, Deepen Reform, and Further Stimulate Scientific and Technological Forces To Enter the Capital's Main Battlefield of Construction."

**Li Ximing Addresses Trade Union Meeting**  
*OW1305182888 Beijing XINHUA in English*  
*1421 GMT 12 May 88*

[Text] Beijing, May 12 (XINHUA)—Trade unions should function as independent organizations and not departments of the Communist Party or subsidiary bodies of local administrations, a Beijing trade union leader said.

Han Kai, president of the Beijing Municipal Federation of Trade Unions, said trade unions were too dependent on the party and administrations in the past and this gave them an "official color."

Addressing the 8th congress of the Beijing Municipal Federation of Trade Unions, which opened here today, Han said trade unions should speak out on behalf of workers about such practical issues as wages, safety, housing and fringe benefits and should fight against bureaucracy.

"If trade unions fail to protect workers' interests, workers will lose confidence in them," he warned the 700 delegates at the meeting.

The delegates represent 10,000 grass-root trade unions with a total membership of 2.98 million in the Chinese capital.

Han pointed out that trade unions should not only protect the central position of directors of factories but also keep a watch over administrators and have a say in company decisions.

He said union leaders should be elected by workers and not appointed by administrations or party organizations.

Li Ximing, secretary of the Beijing Committee of the Chinese Communist Party, encouraged the union representatives to fight against bureaucrats and those who abuse power for personal gains.

**Higher Prices for Nonstaple Foods in Beijing**

**Mayor Explains Increase**  
*OW1305182888 Beijing XINHUA in English*  
*1742 GMT 13 May 88*

[Text] Beijing, May 13 (XINHUA)—Beijing's Mayor Chen Xitong said that the coming price rises of the major non-staple foodstuffs in the Chinese capital will help stabilize prices in the long run.

Beijing is going to raise its prices for meat, eggs, vegetable and sugar on the coming Sunday. Consumers will be subsidized for the price rises.

In a report to Beijing citizens, the mayor said that only through proper adjustment of the food prices, which are essential to price stabilization as a whole, can people feel at ease and provide conditions for future price reform.

In his speech, the mayor tried to explain to Beijing residents the reason for the price hikes and measures the government is going to take to curb drastic price fluctuations.

As the cost of most farm produce have increased greatly in the past few years, the purchasing prices for farm produce should also be raised to arouse farmers' enthusiasm for production, Chen said.

After the purchasing prices for farm produce went up, Chen said, the municipal government had to subsidize ~~central~~ <sup>central</sup> departments with over two billion yuan to ~~raise~~ <sup>raise</sup> retail prices each year.

"Such a policy did not take into consideration of the law of value and resulted in a heavy burden for the government," the mayor noted.

He asserted that the proper way to handle such a situation is to raise the purchasing and retail prices at the same time and subsidize consumers at the same time.

Since China can produce only 400 kilograms of grain for each person because of the shortage of arable land, he said, the coming price hikes are also aimed at encouraging people to change their diet so that people will eat less meat and eggs which take a lot of grain to produce.

The mayor noted that people's life has been greatly improved in the past few years. Individual savings deposits have now reached 10.5 billion yuan in the city. He does not think that people will find life too hard with the coming price rises.

In the first three months of this year, retail prices rose by 10.1 percent in the Chinese capital. Prices for vegetables went up the fastest, rising by 27.9 percent over the same period of last year.

**Rationing To Continue**  
*HK1403072688 Beijing CHINA DAILY in English*  
*14 May 88 p 3*

[Excerpt] Beijing Municipal Government is to raise the retail prices of four main non-staple foods including pork starting from tomorrow while providing a 10-yuan monthly subsidy to every employee in the city.

The price rise will affect pork, eggs, popular vegetables (such as Chinese cabbages and radish) and sugar, PEOPLE'S DAILY reported yesterday.

The average price of pork, the main meat eaten by Chinese, will go up by 30 percent, from 2.78 yuan to 4.2 yuan per kilogram. And the price of lean pork per kilogram will be raised by 60 percent to eight yuan.

The price of eggs will rise by 28 percent to 3.62 yuan per kilogram, sugar by 58 percent to 2.84 yuan per kilogram, and vegetables by 30 percent to 0.498 yuan per kilogram.

The supplies of pork, eggs and sugar have been rationed in many Chinese cities, and each Beijing resident can buy only one kilogram of pork, 0.7 kilograms of eggs and 0.35 kilograms of sugar with coupons each month.

This rationing system will continue after Sunday's price rise, the paper reported.

The price hike will force every resident to add 6.53 yuan to his or her monthly food bill and every breadwinner will have to spend an extra 9.8 yuan to support 1.3 family members.

To compensate for the price rise, the municipal government has decided to give a different monthly subsidy to residents in different categories.

The monthly food subsidy will be 10 yuan for all employees and former employees of State and collectively run enterprises and government institutions. And pensioners will also receive 10 yuan subsidy per month.

College undergraduates and postgraduates will be given eight yuan per month while students at special or technical secondary schools will be given seven yuan.

The purpose of this price rise and provision of the subsidy is "to stimulate agricultural production, justify the structure of consumption and enliven the market," the paper said.

To avoid drastic fluctuation in the supply of the four main nonstaple foods, these will be sold at their original prices until June 10.

An official from the Beijing Municipal Government said the price rise will be limited to 30 to 60 percent, and any price hikes for other goods will be banned. Violators will be seriously dealt with, he added. [passage omitted]

**'Mumbleings of Discontent'**  
*HK1603052788 Hong Kong HONGKONG STANDARD*  
*in English 16 May 88 p 5*

[By Robert MacPherson]

[Text] Beijing AFP—Food prices jumped by up to 60 percent in Beijing's state-run markets yesterday, provoking mumbleings of discontent among fixed-income shoppers despite government subsidies to cushion the blow.

Pork, the most popular meat in China, increased 50 percent to 4.20 yuan (HK\$9) a kilogramme for an average cut, with lean pork costing 60 percent more than before.

Eggs rose 28 percent and sugar 58 percent. Vegetables were set to rise 30 percent, but vendors at two markets visited by AGENCIE FRANCE-PRESSE said they had yet to get instructions to increase their prices.

"It is an act of the government. People complain on the street, but what good does it do?" asked one shopper at Fanchaodi Market in eastern Beijing, clutching a fresh kilogramme of fatty pork.

"For sure the prices will go up more," he added.

China announced on May 5 that it was lifting price controls on vegetables, eggs, pork and sugar at state-run markets in an effort to encourage farmers to produce more and to alleviate chronic shortages.

At the same time it said it would continue rationing eggs, pork and sugar in many cities, including Beijing, and pay subsidies of up to 10 yuan (HK\$21) a month to students, pensioners and workers in state-run enterprises to help them absorb the increases.

It was left to local government officials to decide when the new policy would go into effect in each city. Some cities, like Shanghai, have already put it into practice.

The policy does not affect so-called "free markets" where private shopkeepers offer goods bought direct from farmers and farmers retail their crops to consumers.

Prices there are higher, even after the state-market increases, but so too is quality.

Consumers in Beijing, where the average monthly income is 100 yuan (HK\$210) and food cost 17.9 percent more in January-march than in the same period last year, were bracing for the latest increase.

For weeks shoppers have been lining up overnight at some markets, prepared to buy the best pork they can with their flimsy ration booklets in order to hoard it in refrigerators at home.

At Fanchengdi Market, shop assistants said they were told by their manager at a meeting on Saturday not to complain out loud about rising prices.

"But the 10 yuan subsidy is nothing," one of them said. "Everyone should complain. For the unemployed or people with children (who will not get subsidies), it is not fair."

Yet China's leadership seems prepared to incur the wrath of the masses, analysts say, in hopes that higher prices will generate more farm production and, eventually, price stability.

This past week China's official press held up Guangzhou, the fast-growing southern port city, as an example for the nation to follow.

"Not long ago, when Guangzhou allowed the price of seafood to float on the free market, prices skyrocketed to the displeasure of city dwellers," said the BEIJING REVIEW news magazine.

"But when more fish became available on the market, prices once more became stable," it said.

#### Hotline Busy

OW1505213488 Beijing XINHUA in English  
1534 GMT 15 May 88

[Text] Beijing, May 15 (XINHUA)—A hotline telephone between Beijing Municipal Government and local residents was busy all day today as the city started to raise prices for some non-staple foods.

The telephone numbers, 5121133 ext. 3069 at daytime and 5589734 in the evening, were made known yesterday.

Most calls came from workers, teachers, government employees and housewives who complained about their difficulties in buying rationed foodstuff. Some residents lodged complaints against a few stores that raised prices randomly regardless of government warnings.

Previously all residents have been told that the city government has decided to raise the prices for rations of meat, eggs, vegetable and sugar by some 30 to 60 percent and grant subsidies to up to 10 yuan a month to each resident.

In their reports that were circulated among the residents, Vice-Premier Yao Yiliang and Mayor Chen Xitong explained why the decision was made and how it would affect the daily life of the local residents.

New price tags appeared in Beijing's prepared pork counters today, raising the prices by 20 to 50 percent.

A group of local people were seen discussing the new price tags while lining up at a counter selling prepared meat in the Xidan Groceries, the second largest in downtown Beijing catering to average consumers.

"I'm not against the government decision but we should make greater efforts to check endless banquets with public money and control construction of hotels, office buildings and meeting halls for government organizations," said Zhou Guoxing, a retired cadre. "The money can be saved to develop farm production and improve the people's living conditions."

Wang Fenglan, a middle-aged woman, complained that her elderly mother and son who is a high school student are excluded from getting subsidies.

According to government decision, the subsidies are granted to workers, retirees and students in universities and secondary technical schools.

A woman engineer shared Mrs. Wang's view, saying "senior citizens and children should get subsidies too because they are most in need of nutrition."

A worker, who refused to give his name, said the monthly subsidy of 10 yuan "isn't of much help" because the prices for a great number of foods will be raised, apart from the four non-staple foods as planned.

A retired cadre insisted that salary must be increased simultaneously with price hikes. The monthly income of an associate professor, strictly in terms of salary, is slightly more than 100 yuan [words indistinct] 1,000 yuan a month, he said.

He was worried about the possibility that price rise in agricultural produce may lead to price hikes of raw materials and industrial products. He suggested interest rate of bank deposits be raised by a big margin and measures taken to withdraw currency from circulation or and control consumption.

Contrary to most consumers, a retired actor said, "I'm satisfied as long as I can buy whatever I want. My wife and I have enough to spend."

Liu Yanming, 33, manager of the grocery store said that price should be completely subjected to market demand in an effort to promote production and guarantee the supply. However, he added, salary must be increased correspondingly.

The store's business turnover dropped to 46,000 yuan this morning as against 68,000 yuan yesterday morning. Sales amount of cooked pork this morning was around a quarter of that for yesterday morning.

Xie Ziguang, a statistician of the store, explained that the past two days saw a panic purchasing with a record high of 5,500 kilograms of cooked pork yesterday. "Customers who have had enough stocks are not used to the increased prices," he added.

However, [word indistinct] free market in north Beijing still had a brisk business, though price of pork, raw and cooked meat, increased. Fresh pork and spareribs attracted a great number of customers.

With three kilograms of lean pork in hands, a professor told XINHUA that he expected a smaller price increase and stricter supervision over price.

Vice-Premier Yao Yilin who is in charge of the price reform in China, toured the Xidan groceries this morning together with his daughter.

He also looked at the prices in several other shops in the Xidan area, one of the city's busiest shopping centers.

Many city officials visited local markets and shops and collected opinions from among residents.

**Beijing Farmers' Income Increases 1st Quarter**  
OW1405003388 Beijing XINHUA in English  
0822 GMT 12 May 88

[Text] Beijing, May 12, (XINHUA)—Beijing's booming rural industry and family production put more money in farmers' pockets during the first three months of this year.

A Beijing Statistics Bureau survey of 1,100 rural households in the capital's suburbs revealed, during the first three months of this year, the per capita income for the rural area went up 28.1 percent over the same period last year, with more than 80 percent of the money coming from rural industry and family production.

Beginning this year, Beijing farmers are selling more farm and sideline produce, with some selling twice as much as they did during the same period last year, and this trend caused a 33.3 percent increase in earnings.

In recent years, rural industry is becoming more important in the capital's economic development. Last year alone, the total output value of Beijing's rural industry hit 12.84 billion yuan (about 3.5 Billion U.S. Dollars), or 22.1 percent of the city's total.

At present, the capital's rural industry is growing at a faster rate than its urban counterpart, and economists predict, if the development of the city's urban and rural industries maintain the current pace, the total rural industry output value will surpass that of urban industry by the end of this century.

The survey also showed, during the first three months of this year, farmers spent 36 percent more on production and 27 percent more living expenses over the same 1987 period.

Since farmers now have more money on hand and in the bank, officials are warning farmers to spend carefully in order to guarantee production.

**Hebei CPPCC Session Opens in Shijiazhuang**  
SK1505062988 Shijiazhuang HEBEI RIBAO  
in Chinese 24 Apr 88 p 1

[Text] The first session of the Sixth Hebei Provincial CPPCC Committee opened ceremoniously in Shijiazhuang this afternoon.

Taking seats on the front row of the rostrum were executive members of the presidium, including Li Wenshan, Xu Chunxing, Du Jingyi, Wang Enduo, Ma Xinyun, Chen Lintang, Liu Zongyao, Wang Shusen, Huang Lan, and Yu Zhenzhong.

Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, and the provincial government, including Xing Chongzhi, Xie Feng, Yue Qifeng, Lu Chuanzan, Yang Zejiang, Sun Guozhi, Ye Liansong, Qu Weizhen, Liu Ronghui, Chen Yujie, Li Haifeng, Guo Zhi, Yue Zongtai, Du Beijie, Wang Zuwu, Hong Yi, and Song Shuhua, attended the opening ceremony to congratulate warmly the convocation of the first session of the sixth provincial CPPCC Committee.

Members of the Standing Committee of the national CPPCC Committee and members of the national CPPCC Committee staying in our province and chairman and vice chairmen of the fifth provincial CPPCC Committee, including Liu Bingyan, Yin, Zhe, Ma Zhuozhou, Wang Jian and Liu Zhenhua, were also invited to attend the session.

The opening ceremony was presided over by Li Wenshan, executive member of the presidium. At 1500 Li Wenshan announced solemnly: A total of 699 committee members should attend this session; however, only 643 persons are present because 56 persons asked for sick leave. The number of committee members present is up to the legal requirement. The first session of the sixth Hebei Provincial CPPCC Committee is now declared open. Committee members from all democratic parties, mass organizations, and all walks of life stood up solemnly. The entire meeting site resounded with the playing of the "March of the Volunteers."

Xu Chunxing, vice chairman of the fifth provincial CPPCC Committee, gave a report on the work of the Standing Committee of the fifth provincial CPPCC

Committee. In his report, he summed up the achievements and experience scored by the fifth provincial CPPCC Committee and put forward ardent hopes for the work of the sixth provincial CPPCC Committee.

The session discussed and adopted a namelist of the chairman, vice chairmen, and members of the Motions Committee of the sixth provincial CPPCC Committee.

The Motions Committee of the fifth provincial CPPCC Committee gave a written report on the motions work of the fifth provincial CPPCC Committee.

**Xing Chongzhi at Hebei Tea for Minorities**  
SK1505122488 *Shijiazhuang Hebei Provincial Service in Mandarin* 2200 GMT 28 Apr 88

[Text] On the evening of 28 April, the United Front Work Department of the provincial party committee; the nationalities, overseas Chinese, and foreign affairs committee of the provincial People's Congress; and the provincial Nationalities Affairs Commission invited more than 120 deputies, who are attending the first session of the seventh provincial People's Congress, and members who are also minority nationalities, who are attending the first session of the sixth provincial CPPCC Committee, to a tea party to hear their opinions on our province's nationalities work.

Attending the tea party were leading comrades of the province including Xing Chongzhi, Xie Feng, Li Wenshan, Yue Qifeng, Lu Chuanzan, Sun Guozhi, Ye Liansong, Guo Zhi, Zhang Kerang, Ma Zhuozhou, and Liu Zongyao.

**Li Ruihuan Receives Tianjin Overseas Chinese**  
SK1505122688 *Tianjin City Service in Mandarin* 2200 GMT 12 May 88

[Text] On the evening of 12 May, Mayor Li Ruihuan received cordially Mr (Qi Lishi), director of the Japan (Dongguang) Trading Corporation, and his party. Both the host and guests held talks on developing housing construction in Tianjin, and on providing foreign friends in Tianjin with many kinds of comfortable housing and living conditions.

Mr (Qi Lishi) is a patriotic overseas Chinese who resides in Japan. (Qinqiao) and (Xincun) villa house construction projects are under way due to joint efforts of Mr (Qi Lishi) and the Tianjin Municipal Economic Development General Company. This has created conditions for improving Tianjin Municipality's environment for investors.

**Tianjin's Li Ruihuan on Training Cadres**  
SK1505075588 *Tianjin City Service in Mandarin* 2200 GMT 13 May 88

[Text] On the morning of 13 May, Li Ruihuan, secretary of the municipal party committee, and Zhang Dinghua and Huang Yanzhi, members of the municipal party committee Standing Committee, visited the party school of the municipal party committee to hold talks with leading cadre students of the first study class.

The study classes for leading cadres were organized in line with the municipal party committee's instruction on organizing leading cadres to conscientiously [words indistinct]. All students of the first study classes are leading comrades of the departments and commissions under the municipal party committee and the municipal government and leading comrades of districts, counties, bureaus, and universities.

During the talks, students reported to the municipal leaders about their study experiences and noted the difficulties and problems in their study.

Comrade Li Ruihuan discussed and studied the problems with all participants.

Li Ruihuan pointed out: I believe leading cadres should master several ideas, start by studying basic ideas, [words indistinct], and master a way to integrate theory and practice. Leading cadres should make it a habit to read books. Although leading cadres are busy in their work, they should consider reading books as their job.

Reform is a process of understanding the world through exploration. Whether we are successful in reform hinges on the people's understanding of the world. Therefore, our leading cadres should pay attention to upgrading their understanding about Marxist theory, particularly about philosophic theory, because their understanding has a bearing on the success in reform and opening to the outside world.

A large group of cadres has been promoted in past years. However, most cadres master the natural sciences and only a few master social science. Practices through reform and opening to the outside world have proved that our failure to solve some problems resulted from our low level in social science. Thus the work of training leading cadres with Marxist theory in a planned manner should be regarded as a great matter with regard to party building and the cultivation of talented personnel.

Comrade Li Ruihuan said: The party school under the municipal party committee is a research center as well as a center for cultivating cadres, so it should play the role of a base to train rotationally principal leading cadres at or above the district, county, and bureau levels with philosophic theory within 1 or 2 years.

He hoped that the party school would become Tianjin's base for studying social science and Marxist theory and for cultivating, training, and examining cadres.

**Tianjin People's Congress Session To Open**  
**SK1505082188 Tianjin City Service in Mandarin**  
**2200 GMT 12 May 88**

[Excerpt] The Tianjin Municipal People's Congress Standing Committee held a news conference on the morning of 12 May. At the briefing, Shi Jian, vice chairman and concurrently secretary general of the municipal People's Congress Standing Committee, declared that the 1st session of the 11th municipal People's Congress will open on 15 May. He also introduced relevant items concerning the session's convocation to journalists posted in Tianjin.

Comrade Shi Jian said: The session will be convened following the the first session of the seventh NPC and the fifth municipal party congress, and under the situation in which the municipality's economic construction is flourishing and the reform work in all fields is deepening with each passing day. This is a term-shift session. The session will implement conscientiously the guidelines of the 13th party congress, the 1st session of the 7th NPC, and the 5th municipal party congress; sum up conscientiously the achievements and experiences in reform and construction made and gained over the past 5 years; discuss and decide the municipal development strategy for construction and reform over the next 5 years; and elect the new leading bodies of [words indistinct]. [passage omitted]

**Northeast Region**

**Heilongjiang Secretary Relays Guidelines**  
**SK1505062788 Harbin HEILONGJIANG RIBAO**  
**in Chinese 27 Apr 88 p 1**

[Text] This afternoon, laughter was heard continually from the Harbin Engineering University auditorium. Sun Weiben, secretary of the provincial party committee, was relaying guidelines of the "NPC and the CPPCC session" to more than 1,000 Harbin Engineering University teachers.

After relaying thoroughly the guidelines of the "NPC and CPPCC session," Comrade Sun Weiben told the participants about his own experience in the two sessions, saying that these two sessions had a rich democratic atmosphere and a high level of transparency of opening to the outside world. Further, the two sessions had managed things strictly in line with legal procedures, and that the deputies and delegates had intensified remarkably their awareness in attending and discussing political affairs. He said: "About 70 percent of our provincial deputies and delegates attended the two national sessions for the first time. However, their courage to attend and discuss political affairs and to air their views was greater than at the previous sessions. All three candidates

proposed by our province to serve as members of the NPC Standing Committee and one candidate to serve as member of the Standing Committee of the National CPPCC Committee were elected. During these two sessions, at the request of our provincial deputies and delegates, leaders of the Ministry of Foreign Economic Relations and Trade came to where our provincial deputies and delegates were staying to answer their questions."

Sun Weiben summarized the deputies' heated topics of conversation during the "two sessions" into six issues and relayed them to the Harbin Engineering University teachers. While touching on the price issue, some teachers wrote down some questions to be put to Sun Weiben. Sun Weiben said: "The price issue is not only an economic issue but also a political issue. Generally, there are four reasons for price hikes. First, the consumption fund was too high; in particular, the practice of using public funds to buy commodities, hold banquets, send gifts, and go sightseeing enlarged the proportion of consumption funds. Second, the capital construction front was over-extended. Third, there were too many bank loans. Fourth, the pricing structure was imbalanced." Sun Weiben's explanation won a burst of laughter showing the participants' apprehension. Sun Weiben maintained that if we attend to the pricing issue only, it will be impossible for us to control price hikes. Therefore, we must raise productive forces, particularly the production level of nonstaple foods; narrow the scope of capital construction; avoid excessive consumption; strengthen pricing management; and accelerate reform of the pricing structure. Only in this way can we solve the pricing issue fundamentally.

While touching on the educational issue and the wages for intellectuals, Sun Weiben told the participants that all deputies and delegates called unanimously for giving attention to education and raising the wages for intellectuals. In referring to the issue of how to treat intellectuals, Sun Weiben said: "We should say less, but do more; enhance our understanding; foster realistically the sense of respecting knowledge and trained personnel; enhance our sense of urgency; and overcome egalitarianism and the practice of competing with one another."

**Heilongjiang's Sun Weiben at People's Congress**  
**SK1505074588 Harbin Heilongjiang Provincial**  
**Service in Mandarin 0900 GMT 12 May 88**

[Text] The provincial People's Congress Standing Committee has reformed its way of appointing and removing cadres. At the third meeting of the Seventh Heilongjiang Provincial People's Congress Standing Committee, which was held from the afternoon of 11 May until the morning of 12 May, the directors of various departments and bureaus recommended and appointed by the provincial government briefed the committee members on their work, and then the members exercised their right to vote.

First the members listened to the explanation made by Governor Hou Jie on examining the work performance of the component members of the new term of the Heilongjiang Provincial People's Government. They also listened to the explanation made by Tang Lanting, president of the provincial Higher People's Court, on the appointment and removal of cadres of the provincial Higher People's Court; the explanation made by (Xiao Qihui), deputy procurator of the provincial People's Procuratorate, on the appointment and removal of cadres of the provincial People's Procuratorate; and the explanation made by (Liu Guozhen), vice chairman of the Personnel Commission under the provincial People's Congress Standing Committee, on appointing additional members to the Financial and Economic Committee and the Nationalities Committee under the provincial People's Congress Standing Committee.

Then, excluding the 6 persons who were away on official business or on sick leave, 36 of the 42 directors of various departments and bureaus recommended and appointed by the provincial government made brief 5-10 minute speeches to the members. They reviewed the work in the preceding stage in line with the work reality of their departments or bureaus. On the basis of summing up experiences and finding out where they lagged behind, they expounded their plans and goals emphatically during their term of office in the coming 5 years. In their speeches, many persons touched boldly on the difficult points of their work and the hot spots with which the masses were concerned. [Words indistinct]

Liu Gongping from the provincial Educational Commission said: If the provincial People's Congress approves my appointment, I will try my best to develop education, beginning with the work of raising educational funds, increasing remuneration to teachers, and work in two other fields. This year 7,000 teachers who have won the title of senior teacher and 45,000 teachers who have won the title of middle-grade teacher will be issued the wages equivalent to their titles, and 320,000 primary- and middle-school teachers will be given a 10-percent wage increase.

In his speech, (Ding Fangming) from the provincial Pricing Bureau dwelt on the issue of commodity prices, which concerns the masses most, and made a conscientious analysis of the objective reasons for the relatively high prices in our province. Referring to plans for the work during his term of office, he said: I will do my utmost to grasp emphatically the commodity market prices after nonstaple food subsidies are issued and will strive for a stabilized provincial general price index during my term of office.

Guan Shixun from the provincial Light Industrial Department said in his speech that during his term of office, light industrial enterprises throughout the province, particularly the sugar refineries, will seize the favorable opportunity of readjusting the price of beets and edible sugar so that all sugar refineries in the

province will be able to begin operation in the fourth quarter of this year. Meanwhile, great efforts will be made to change deficits to profits throughout light industrial enterprises with a view to removing the 30 million yuan of losses for the province's industry as a whole.

The members expressed their good impressions about this reformed system of appointing and removing cadres of the provincial People's Congress. At the same time, the directors of various departments and bureaus recommended and appointed by the provincial government said that they were willing to introduce their work to the people and submit themselves to the supervision of the provincial People's Congress.

Huang Feng and Wang Yusheng, vice chairmen of the provincial People's Congress Standing Committee, presided over the meeting held on 11 and 12 May, respectively. Present at the meeting were Sun Weiben, chairman of the provincial People's Congress Standing Committee, and He Shoulin, Zhang Ruoxian, Wang Zhaozhi, Ji Hua, (Cai Qingjing), and (Song Jianwu), vice chairmen of the provincial People's Congress Standing Committee. Present at the meeting as observers were provincial Governor Hou Jie; provincial Vice Governor, Chen Yunlin; and Tang Lanting, president of the provincial Higher People's Court.

**Sun Weiben at Heilongjiang Appointment Ceremony**  
SK1505081388 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 14 May 88

[Text] On the afternoon of 14 May, the provincial People's Congress held a meeting at the Beifang Building to issue certificates of appointment to provincial government personnel.

Sun Weiben, chairman of the provincial People's Congress Standing Committee, urged the newly appointed personnel of the provincial government to accurately foster honest, realistic, and high-efficiency work styles and to serve the people wholeheartedly.

He said: The comrades appointed today are members of the provincial government and undertake important jobs for guiding the work of departments and fronts. The fixed targets should be revealed to the cadres of their departments so they know what goals to work towards during their tenures and which programs will be implemented.

Sun Weiben said: Along with the deepening of the political structural reform, from now on, many major matters will not be put into effect until they have been examined, discussed, and decided on by the organs of state power. Thus members of the provincial government and all departments should regard the work of actively reporting their work to the People's Congresses and their Standing Committees as a major regular matter.

People's Congresses and their Standing Committees should act on behalf of the people to supervise the work of the governments and the performance of government personnel. Those who have made outstanding achievements should be commended and awarded. Those who fail to do their jobs well and bring losses due to neglect of duty should be criticized, punished, or removed from their posts in line with the seriousness of the cases.

He Shoulun, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting. Attending the meeting were cadres of the provincial-level organs at or above the department and bureau deputy director level, and responsible comrades of the provincial-level sections and offices concerned.

**He Zhukang At Jilin Scientific Work Conference**  
SK1405134688 Changchun Jilin Provincial Service in Mandarin 2100 GMT 13 May 88

[Text] The provincial scientific and technological work conference ended in Changchun on 13 May. Leading Comrades He Zhukang, Zhang Fengqi, Renqin Zamusu, Wang Xianjin, and Li Zemin attended the conference. He Zhukang, secretary of the provincial party committee and provincial governor, delivered a speech at the conference.

In his speech, He Zhukang called on all localities and departments to strengthen their understanding of the work of placing science and technology in the primary position of the economic development strategy, to enhance their sense of urgency, to support vigorously the development and application of science and technology, and to form gradually a thinking policy environment, as well as social [words indistinct] that are conducive to promoting scientific and technological progress.

He Zhukang pointed out: The ideology for guiding the province's scientific and technological work is to allow the application of science and technology to play a dominant role and strengthen vigorously scientific and technological development and research and the popularization and application of scientific and technological findings. We should concentrate currently on reform work in three fields.

First, we should further introduce competitive mechanisms to scientific research units and carry out positively various forms of the management-contract responsibility system.

Second, scientific research units and universities should be encouraged and supported to progress deep into the economic field. We should develop new types of scientific research and integrated production associations.

Third, we should further decontrol scientific research personnel. As for the method of being transferred from original posts, [words indistinct], and being kept on the

roll with payment to be suspended, scientific professionals and technicians should be encouraged to engage themselves in management and technological work among small- and medium-sized state enterprises, collective enterprises, and town and township enterprises. Meanwhile, they are permitted to run operational enterprises and technological development and service organizations, and to engage themselves in technological development for farming, breeding, and processing industries in the rural areas.

**Jilin People's Congress Meeting Ends 14 May**  
SK1505094488 Changchun Jilin Provincial Service in Mandarin 2100 GMT 14 May 88

[Text] The third meeting of the seventh provincial People's Congress Standing Committee concluded on the afternoon of 14 May.

The meeting decided to appoint Wang Zhongyu as vice governor of the Jilin Provincial Government.

On the morning of 14 May, the third meeting of the seventh provincial People's Congress Standing Committee held its third plenary session to hear Governor He Zhukang's explanation of the proposed namelists for some provincial governmental appointments and removals. Because the central authorities had appointed Comrade He Zhukang secretary of the Jilin Provincial CPC Committee, Governor He Zhukang suggested that Comrade Wang Zhongyu become vice governor of the provincial government and take charge of the work of the provincial government. Simultaneously, Governor He Zhukang explained the provincial government's decision on personnel appointments and removals in other fields. Xie Anshan, president of the provincial Higher People's Court, then explained the appointment of a vice president of the provincial Higher People's Court.

Through full deliberations and the use of secret balloting, participants adopted the namelists of personnel to be appointed and removed.

Liu Xilin was removed from the concurrent post of secretary general of the provincial government. Wang Yunkun was removed from the post of chairman of the provincial Economic Restructuring Committee. (Li Zuoshan) was removed from the post of president of the Baicheng Prefectural Intermediate People's Court. Wang Zhongyu was appointed vice governor of the Jilin Provincial People's Government. Wang Yunkun was appointed secretary general of the provincial government. (Li Zuoshan) was appointed vice president of the provincial Higher People's Court.

The meeting also approved the resolution on the 1987 provincial final accounts by a show of hands. Through indirect examination and discussion by participants, the meeting maintained that the draft rules and regulations on land management which had been submitted to the meeting for examination should be revised further.

Vice Chairman Xu Yuancun presided over the meeting. Attending the meeting were 37 people, including Chairman Huo Mingguang; Vice chairmen Yu Ruihuang, Renqinzhamusu, and Chen Zhenkang; Secretary General Zhang Jiande; and some other members. Attending the meeting as observers were Gao Wen, vice governor of the provincial government; Xie Anshan, president of the provincial Higher People's Court; responsible persons of the provincial People's Procuratorate; and responsible persons from all city and autonomous prefectural People's Congress Standing Committees, the Baicheng prefectural office in charge of the work of the People's Congress, and the provincial-level departments concerned.

**Exams Used for Liaoning Government Jobs**  
*OW1505142488 Beijing XINHUA in English*  
*1116 GMT 15 May 88*

[Text] Beijing, May 15 (XINHUA)—In a bid to reform the city's existing job assignment system, Shenyang, the capital of northeast China's Liaoning Province, will start filling government positions by competitive exams.

According to today's "PEOPLE'S DAILY," the city government just worked out new policies on the hiring of government personnel which are being introduced on a trial basis.

Any legal resident between the ages of 18 and 35 can take the exams, with the top age for demobilized officers set at 45.

**Northwest Region**

**Leadership Structural Reform Urged in Gansu**  
*HK1205053788 Lanzhou Gansu Provincial Service*  
*in Mandarin 2300 GMT 8 May 88*

[Text] A provincial conference, called by the provincial party committee, on separating the party and administration in all enterprises of the province and deepening the leadership structural reform, ended yesterday afternoon.

The meeting called on party committees and the government at various levels to make leadership structural reform in enterprises an important item on their agenda, strengthen their leadership over it, and make continuous efforts to carry out leadership structural reform to a deeper level. It also called on all departments concerned to make a thorough investigations and studies as well as make concerted efforts to support enterprises warmly in their bold drive for reform. All enterprises should first renew their concepts, start out from the overall situation, and carry out the reform in a comprehensive and step-by-step way. Meanwhile, they should link the reform closely to the overall introduction of the contracted management responsibility system.

The meeting pointed out: Factory directors are statutory representatives of enterprises. They play a leading role and exercise all functions and powers prescribed by law. The meeting called on all enterprises to institute a system of overall leadership by factory directors and managers in all aspects this year and establish the central position of factory directors so as to enable factory directors to assume full responsibility for enterprises. Meanwhile, the supervisory role of party organizations in enterprises should be ensured. The democratic management of enterprises should be strengthened so as to enhance the workers' awareness of their position as masters of their enterprises. Various supporting measures should be taken in the process of carrying out the leadership structural reform in enterprises. Ideological and political work in enterprises should be improved and strengthened and attention must be paid to enhancing the quality of personnel engaged in ideological and political work. The meeting stressed: After the party and the administration in enterprises are separated, ideological and political work should not be weakened but strengthened. We must emancipate our minds, explore new possibilities boldly, and establish steadily and surely a new pattern of ideological and political work which can meet the needs of the new period and new tasks.

At the closing ceremony yesterday, the provincial party committee deputy secretary Lu Kejian made a statement; Liu Yuhan, member of the provincial party committee Standing Committee, presided over the meeting and also delivered a speech.

**Shaanxi Leader Addresses CPC Plenary Meeting**  
*HK1405062188 Xian Shaanxi Provincial Service*  
*in Mandarin 2330 GMT 5 May 88*

[“Excerpts” from speech by Zhang Boxing, Secretary of the Shaanxi Provincial CPC Committee, at the First Plenary Meeting of the Seventh Shaanxi Provincial CPC Committee on 5 May in Xian]

[Excerpts] Comrades, the First Plenary Meeting of the Seventh Shaanxi Provincial CPC Committee has completed all items on the agenda in a democratic and united atmosphere and will soon close. I would like to discuss my views on several tasks that have an important bearing on the overall situation.

First, we must do well in conscientiously organizing mass discussion on the criterion of productive forces. [passage omitted]

Second, we must further improve and actively organize implementation of the strategy for economic and social developments in our province. The latest party congress has thoroughly discussed the targets of the strategy for economic development, and made the following strategic arrangements: To put stress on developing the central Shaanxi plain; to actively develop south Shaanxi and

north Shaanxi; to energetically expand China's domestic market for Shaanxi products; and to take the initiative in participating in international exchange and competition. [passage omitted]

Third, we must do well in conscientiously mapping out the medium-term and long-term plans for both the economic and political structural reforms. The Changjiang economic structural reform is currently in a critical period in which new systems are replacing old ones. The political structural reform is currently being initiated actively and cautiously. At present, successfully mapping out plans for reforms is of great importance to strengthening leadership, controlling the overall situation through reforms, and successfully moving all reforms

toward set objectives systematically and by stages. Principal leading comrades from the provincial party committee and from all prefectures, cities, and departments must pay close attention to and do well in conscientiously handling this major issue which has an important bearing on the overall situation.

Fourth, we must energetically strengthen the building of ideological style and the building of systems within leading groups at all levels. New leading groups must take on a new look and show new work styles. Leading cadres must take the lead in honestly performing their official duties, strictly observing party discipline, raising efficiency, and wholeheartedly serving the people. It is imperative to strengthen and perfect the collective party leadership system as well as our democratic centralism.

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